



**Testimony of Shelley Megquier, Policy and Research Director, Maine Farmland Trust, to the  
131st Legislature's Joint Standing Committee on Agriculture, Conservation and Forestry  
February 7, 2024**

Good afternoon Senator Ingwersen, Representative Pluecker, and members of the Joint Standing Committee on Agriculture, Conservation, and Forestry. My name is Shelley Megquier and I am testifying today on behalf of Maine Farmland Trust (MFT) in support of LD 2188, *Resolve, Regarding Legislative Review of Chapter 26: Producer Margins, a Major Substantive Rule of the Maine Milk Commission*.

MFT is a member-powered statewide organization that works to protect farmland, support farmers, and advance the future of farming. Our goal is to keep agricultural lands working and help farmers and their communities thrive. Since our founding in 1999, MFT has helped to permanently protect more than 330 farms and keep nearly 60,000 acres of farmland in farming. Our Farm Network includes over 500 farms and in 2023, MFT supported 58 farm businesses with workshops, technical assistance, and grants – delivering over 600 hours of technical assistance and \$197,000 in business and seed grants to help businesses grow their profitability.

MFT believes that the viability of agriculture in Maine is critical to rural economic development, to farmers' ability to keep their land in agricultural production, and to ensuring a vibrant and resilient local food system. But, Maine farms are facing significant challenges that threaten their viability. One of these challenges is the rising costs of production, which are being felt by farms of all types across the state, and can be especially difficult for dairy farms that ship milk and face significant volatility in the price they receive for their milk. Maine's Dairy Stabilization Program, or the Tier Program, provides critical economic support to dairy farmers, allowing more dairy farms to stay in business when the price they receive from the marketplace for their milk falls below their cost of production.

In 2020, MFT published its Dairy Sector Report<sup>1</sup> – a report that both analyzes the challenges and opportunities facing the dairy sector in Maine and identifies policy and market interventions that could help to stabilize the Maine dairy sector and enhance its future viability. One of the critical policy recommendations included within the report is continued support and investment in the Tier Program. This recommendation is based on the fact that the Tier

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<sup>1</sup> Maine Farmland Trust, *Dairy Sector Report* (Jan. 2020), available at: [mainefarmlandtrust.org/future/research](http://mainefarmlandtrust.org/future/research). MFT provided a presentation about the Report to the 129th Maine Legislature's Joint Committee on Agriculture, Conservation and Forestry in conjunction with Rick Kersbergen, Extension Professor of Sustainable Dairy and Forage Systems at the University of Maine Cooperative Extension; Julie-Marie Bickford, formerly Executive Director of the Maine Dairy Industry Association and currently Executive Director of the Maine Milk Commission; and Annie Watson, President of the Maine Dairy Industry Association and Owner of Sheepscot Valley Farm.

Program has had a demonstrable and important effect on Maine dairy viability according to the data and the experts we interviewed.<sup>2</sup>

The Tier Program operates by providing a payment directly to farmers when the amount that they receive from the marketplace for their milk falls below their cost of production.<sup>3</sup> As such, for the Program to be an effective economic support tool, it must be informed by current realities and data. MFT strongly supports LD 2188 because it aims to ensure that the Tier Program adopts the most up-to-date cost of production numbers from the Maine Milk Commission, which are based on a recent survey of dairy farmers in Maine.

Ensuring the economic viability of dairy farms in Maine is important for Maine's entire agricultural sector and for rural communities across the state. Dairy farms are often described as "anchor farms" because they provide the necessary threshold of business for veterinarians, feed suppliers, and machine suppliers to set up shop in the towns containing these farms. In doing so, these dairy farms contribute to the success of all different kinds of farms across the state and to the economic vitality of the sector. Given that agriculture is a key component of Maine's economy, contributing over \$3.6 billion in economic impact and supporting over 27,000 jobs statewide,<sup>4</sup> providing a safety net to dairy farms is an important step towards solidifying a critical segment of Maine's economy. Dairy farms also help to ensure food security for our state and region in the face of climate and supply chain disruptions. Finally, dairy farms steward vast acreages of high-value farmland across Maine, and the ability of these farms to achieve economic stability during times of low milk prices helps to keep our agricultural land base in farming and safeguarded from conversion to non-agricultural uses.

For all of these reasons, we strongly support the adoption of the most recent cost of production numbers from the Maine Milk Commission for the Maine Dairy Stabilization Program.

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<sup>2</sup> Maine Farmland Trust, *Dairy Sector Report*, p. 3, 20-21 (Jan. 2020).

<sup>3</sup> Tim Drake, *Maine's Dairy Relief Program*, 20 *Maine Policy Review*, p. 77 (2011), available at <https://digitalcommons.library.umaine.edu/mpr/vol20/iss1/14>.

<sup>4</sup> Farm Credit East, *Northeast Economic Engine: Agriculture, Forest Products and Commercial Fishing*, p. 9 (2020), available at: [www.farmcrediteast.com/resources/Industry-Trends-and-Outlooks/Reports/2020-Northeast-Economic-Engine#2020economicengine](http://www.farmcrediteast.com/resources/Industry-Trends-and-Outlooks/Reports/2020-Northeast-Economic-Engine#2020economicengine).