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

NEITHER FOR NOR AGAINST LD 2212

*An Act to Strengthen Maine's Agriculture, Food and Forest Economy by Funding the Maine  
Agriculture, Food and Forest Products Investment Fund*

February 28, 2024

Senator Ingwersen, Representative Pluecker, and members of the Joint Standing Committee on Agriculture, Conservation and Forestry, I am Craig Lapine, Director of the Bureau of Agriculture, Food and Rural Resource of the Department of Agriculture, Conservation and Forestry (DACF). I am here today to speak Neither For Nor Against LD 2212, *An Act to Strengthen Maine's Agriculture, Food System and Forest Products Investment Fund*.

The Maine Agriculture, Food and Forest Products Investment Fund was established during the 130th legislature under LD 1733 (P.L. 2021, ch. 483, §§ KK-1-3), *An Act To Provide Allocations for the Distribution of State Fiscal Recovery Funds*. However, that legislation did not result in adequate funding for this new initiative nor essential staffing resources that are needed to get this program off the ground. The bill before you today appropriates \$10,000,000 to the fund. This substantial and sustained funding is essential for the success of these important heritage industries.

The Department has championed the critical need for significant infrastructure investment across Maine's agriculture, food, and forest products sectors. We greatly appreciate Representative Talbot Ross for bringing LD 2212 forward and continuing to advocate for this important issue. Supporting local infrastructure will strengthen and grow our economy by diminishing supply chain vulnerability, fostering business activity, and growing opportunities for rural communities. It will also enhance our food security and support our state in reaching its climate action plan resilience goals as they pertain to our working lands.

As DACF highlighted last session, and this Committee supported in the LD 1670 Committee Amendment, ongoing resources and staff are needed to properly support the intended scope, size, and impact of the Agriculture, Food System, and Forest Products Investment Fund, similar to other impactful and highly funded DACF-supported boards, such as the Land for Maine Future and the PFAS Fund. To further illustrate the need for staff, consider that the PFAS Fund has

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similar requirements to establish an advisory body to help guide the development of the parameters of the fund, and develop program criteria. That process required numerous meetings over several months to accomplish, with staff working between meetings to ensure the results of those discussions were able to move from conceptual to concrete. There are also many steps to setting up a fund of this kind in keeping with state procurement rules, and in line with guidance from the Attorney General's office. Adhering to these technical requirements as the fund is developed, providing adequate staffing to ensure a good process and outcome for the board, and implementing their recommendations will require staff.

Turning to the board structure proposed by LD 2212, DACF notes that the board structure has been changed from the original language within LD 1733. Notably, as proposed, the department would not have the purview to select members for any of the farmer seats. Overall, we prefer the board appointment structure as outlined in the existing statute.

There is one critical content issue we want to raise regarding the bill. It states that a "producer that receives a disbursement from the fund must have a processing or manufacturing facility located in the State." We request the language be changed also to allow funding for those seeking to establish new processing and manufacturing facilities—not just those seeking to expand existing ones—are eligible for grants from this fund. This state is already lacking in particular areas of processing and manufacturing. Limiting this fund to only those few that already exist would not help us to solve those bottlenecks.

The Department also acknowledges the importance of ensuring that future infrastructure investments are accessible to historically underrepresented or underserved populations, including tribal communities and communities of color. We agree with LD 2212 that supporting governance models that reflect the skills, experiences, and diversity apparent within the state's food system and natural resource sectors is critical.

By fully funding and staffing LD 2122, DACF will continue building upon our experience surrounding financial program development and administration. We will also draw upon our history of collaboration with state agencies, industry groups, funding institutions, and economic development organizations to help guide these important efforts and ensure a program design that is rooted firmly in research that assesses the various investment priorities and funding needs within the agriculture, food, and forestry sectors.

In coordination with the Department of Economic and Community Development, DACF is eager to play a central role in ensuring the fund's long-term success and viability through ongoing program evaluation.

Thank you for your time. I am happy to answer questions now or at the work session.