



Maine Grocers &
Food Producers
Association
PO Box 5234
Augusta, ME 04332
207.622.4461
info@mgfpa.org

February 28, 2024

IN SUPPORT – LD 2122 ‘An Act to Strengthen Maine's Agriculture, Food System and Forest Products Infrastructure Investment’

Dear Senator Ingwersen - Chair, Representative Pluecker- Chair, and Members of the Committee on Agriculture, Conservation and Forestry,

My name is Christine Cummings and I am the Executive Director of the Maine Grocers & Food Producers Association (MGFPA). The Maine Grocers & Food Producers Association is a business trade association representing Maine’s food community; Main Street businesses, including independently owned and operated grocery stores and supermarkets, food and beverage producers and processors, manufacturers, wholesalers, distributors, and supportive service companies.

We are grateful for everyone’s support in establishing the Maine Agriculture, Food System and Forest Products Infrastructure Investment Advisory Board and Maine Agriculture, Food and Forest Products Investment Fund which was put into law via LD 1733 (worked as LD 1565 An Act To Strengthen Maine's Agriculture, Food and Forest Economy) in 2021.

We are thankful for the state’s commitment to supporting Maine’s food industry through various programs including nearly \$20M in awards via the Maine Jobs & Recovery Plan AIP grants and most recently more than \$3M to 40 Maine businesses to increase sales of Maine-made products across the United States (although not all recipients were food-specific businesses, many of those awarded are food manufactures and processors). However, the need is still great. The AIP grant program received more than \$180M in asks and the most recent DECD Domestic Trade Program received more than \$30M in requests. We fully support endeavors to further assist Maine’s food producers and manufacturers both in infrastructure investment and market expansion and are pleased to see additional details that outline the board and allocate funding.

In a recently published "Maine Brand" study from the University of Maine's Graduate School of Business,¹ it has been determined that "Maine businesses and U.S. consumers alike agree that the Maine brand influences the development of products and services. In fact, U.S. consumers are willing to pay 22% more for Maine products and services." Specifically relevant to Maine’s food sector and the importance of this fund, "Maine businesses and U.S. consumers agree that the Maine brand has a positive effect on the economic performance of businesses. Businesses with a higher percentage of Maine sales as well as those in the food, agriculture, marine, and aquaculture sectors rate this impact more positively than other business types."

Specific to the make-up of the board, MGFPA is happy to assist in any capacity. Sec. 3. 7 MRSA §320-C, sub-§8. Uses of disbursements limited: We would like the Committee to review this section as we do not want this language to unintentionally preclude recipients, specifically farmers, who do not process or manufacturer as many are exploring opportunities to expand into manufacturing but do not yet have the capabilities.

According to the 2023 Feeding the Economy Report, America’s food and agriculture sector, shows increased economic output in every state compared to the 2022 report. Maine’s economic impact from the food and agriculture sector includes more than 205,000 jobs, \$10B in total wages, and a total output of \$32.93B. This includes the direct economic impact employed and doing business in agriculture, manufacturing, wholesaling, and on- and off-premise retailing as well

¹ <https://umaine.edu/business/maine-brand-study/#keyfindings>

as supplier and induced economic impact across manufacturing, transportation, government, financial services and beyond.² Data fully supports the food economy, its impact and the importance to fund and streamline.

As this committee is well aware, Maine's 10-year Economic Development Strategy identifies 'food' as one of the four 'thematic areas' "in which Maine has current strengths, there is growing global demand, and there is a potential for job creation." To quote the plan, "From aquaculture to traditional seafood harvesting to value-added food production, growth is anticipated in these food industries and Maine can benefit greatly by growing our capacity to meet these markets. This global trend intersects with Maine's strengths in marine resources, food, manufacturing and technical services. Maine can be a leader in the development of new and sustainable ocean fisheries and products." The increasing interest and demand for healthy and sustainable options sets the stage for Maine's locally sourced products and ingredients to prosper. Maine is known for quality goods and is well-positioned for growth.

We are encouraged that Maine DECD and DACF will work collaboratively to execute on the structure and spending of the fund's dollars. This is an opportunity to harmonize Maine's sometimes fragmented food network and to collectively work together on food-related economic development programming with input from stakeholders, business owners, and government entities ensuring Maine's food producers are well positioned for long-term success.

Thank you for the opportunity to provide testimony.



Christine Cummings
Executive Director

² <https://goodstone.guerrillaeconomics.net/reports/0b790408-64c3-4730-9dc0-b585e14e557d>