



STATE OF MAINE
DEPARTMENT OF AGRICULTURE, CONSERVATION & FORESTRY
OFFICE OF THE COMMISSIONER
22 STATE HOUSE STATION
AUGUSTA, MAINE 04333

JANET T. MILLS
GOVERNOR

AMANDA E. BEAL
COMMISSIONER

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

IN SUPPORT OF LD 473

An Act to Support Agriculture, Conservation and Forestry in Maine

May 13, 2025

Senator Talbot Ross, 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 Resources. I am speaking on behalf of the Department of Agriculture, Conservation and Forestry (DACF) in support of LD 473, *An Act to Support Agriculture, Conservation and Forestry in Maine*.

LD 473 seeks to support the recommendations of the Task Force to Support Commercial Dairy Farms in the State (Dairy Task Force), established by resolve via LD 1274 in the 131st legislature and signed by the Governor on March 25, 2024. This Resolve directed the Dairy Task Force to:

"...review and provide recommendations on potential investments and policies to support the long-term sustainability and resiliency of the State's dairy sector, including:"

- the development of in-state milk and value-added processing capacity;
- enhancements to existing state grant and loan programs, and technical assistance programs; and
- recommendations to enhance the effectiveness of the current dairy stabilization program, known as the Tier Program.

Over the course of seven months, the Dairy Task Force, comprised of dairy farmers, business and economics experts, and others with industry insight, considered the many challenges impacting Maine's dairy farms. In response, it developed eleven consensus recommendations for the legislature's consideration, the most important of which is to fund the Tier Program to meet the actual, current costs of production.

1. **Fund the Tier Program:** Ensure funding at the current cost of production to stabilize milk payments.

HARLOW BUILDING
18 ELKINS LANE
AUGUSTA, MAINE



PHONE: (207) 287-3200
FAX: (207) 287-2400
WEB: WWW.MAINE.GOV/DACF

2. **Increase Funding Predictability:** Establish a baseline funding allocation for the Tier Program to reduce volatility.
3. **Expand Technical Service Capacity:** Increase resources for on-farm technical support through the University of Maine Cooperative Extension and other programs.
4. **Support Dairy Processing Capacity:** Invest in on-farm and stand-alone processing facilities to keep more milk in-state.
5. **Conduct Economic Impact Study:** Quantify the dairy sector's economic value to Maine.
6. **Establish a Dairy Resource Hub:** Create a centralized resource for technical assistance and funding opportunities.
7. **Support Farmer Learning Networks:** Facilitate farmer-to-farmer information exchange.
8. **Support Farm Transfers:** Provide financial and technical support for farm succession planning.
9. **Expand Dairy Feed Availability:** Address challenges in accessing affordable grain.
10. **Utilize Tax Credit Programs:** Leverage existing and new tax incentives to support dairy farms.
11. **Develop Additional Funding Sources:** Explore new revenue streams, such as increased taxes on high-end home sales and marijuana, to support dairy programs.

The Task Force identified certain funding alternatives that it concluded had the potential to expand funding avenues for the Tier Program and reduce reliance on General Fund appropriations. While by no means an exhaustive list, it recommended consideration of the following ideas:

- *Dedicating an increase in the real estate transfer tax to the Tier Program on home sales over \$1 million.*
- *Dedicating additional gambling revenue to the Tier Program, either from the Oxford Casino or a different gambling venue*
- *Increasing the tax on adult use (recreational) marijuana and dedicating a portion of this new revenue to the Program.*
- *Adding pennies per pack to the tobacco tax and dedicating this revenue to the Program.*

I will be happy to answer any of your questions at this time and will be present at the work session for further discussion as needed.