



MAINE FARMLAND TRUST

Testimony of Shelley Megquier, Policy & Research Director, Maine Farmland Trust, to the 132nd Legislature's Joint Standing Committee on Appropriations and Financial Affairs

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Good afternoon Senator Rotundo, Representative Gattine, and members of the Joint Standing Committee on Appropriations and Financial Affairs. My name is Shelley Megquier and I am the Policy & Research Director at Maine Farmland Trust (MFT). I am providing testimony on behalf of MFT in support of LD 2094 – *An Act to Authorize a General Fund Bond Issue to Support Maine's Agricultural and Forestry Sectors.*

MFT is a member-powered statewide organization that works to protect farmland, support farmers, and advance the future of farming. Our goals are to keep agricultural lands working and help farmers and their communities thrive. Since our founding in 1999, MFT has helped to permanently protect farmland in every county in Maine, amounting to over 58,000 acres across 395 farms. Our Farm Network includes more than 550 farms that have participated in MFT's programming either through an agricultural easement or through one of our other areas of work. Our main program areas are Farmland Protection, Farmland Access, Stewardship, Farm Business Planning, PFAS Support, and Policy and Research.

MFT strongly supports LD 2094 because a thriving agricultural economy 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 food system for our state and communities. We often talk about agriculture being the backbone of Maine's economy. Each of the programs that are included for funding in LD 2094 were chosen intentionally as a strategy towards strengthening that backbone and ensuring that farms have what they need to continue to feed Maine residents and power our communities. Please find more detail below on each of the four initiatives funded through LD 2094.

1. Capitalizing the Maine Agriculture, Food and Forest Products Investment Fund

Expanded agricultural infrastructure in Maine is critical to helping farmers grow and diversify their businesses and to supporting local and regional supply chain development. The Maine Agriculture, Food and Forest Products Investment Fund (MAFFPIF) was established by the 130th Legislature to facilitate strategic investments in the state's agricultural, food and forest products processing and manufacturing industries, but the Fund has yet to be provided with the financial resources necessary to carry out its purpose and meaningfully move the needle on increasing in-state agricultural infrastructure and processing capacity.

In our work at MFT we have seen how Maine farmers need improved infrastructure, processing and other innovative opportunities, on and off the farm and across all agricultural sectors in every part of the state, in order to increase the supply of Maine-grown products, scale up production, reduce costs, and create and access new market opportunities. For instance, the lack of meat processing capacity has been a long-standing challenge for livestock farmers in the state. As Maine's immigrant population grows, so too does the need for religiously and culturally appropriate meat processing, including halal processing. Improved infrastructure for the dairy sector, including processing capacity for value-added products and in proximity to dairy farms, could help dairy producers grow their businesses and lower costs. And the seasonality of fruit and vegetable production in the state requires innovation to produce

shelf-stable local products that can feed Mainers and create market opportunities all year long. The lack of food processing infrastructure weakens Maine's food and agriculture economy and serves as a challenge for individual farm businesses that are seeking to strategically grow and diversify their operations.

At the same time, there is enormous growth potential for the food sector in Maine and the sectors that support it like farming. Governor Mills' 10-year economic development strategy identifies the food sector in Maine as one of the four areas most ripe for economic development because of the state's current strengths, the growing global demand, and the potential for job creation in that sector.¹ But investment in food processing infrastructure is a necessary first step to growing this important segment of Maine's economy. As the economic development strategy notes, "[f]rom 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."² This type of investment will also be necessary to meet the state's climate action plan goal of increasing the amount of food consumed in Maine from state food producers to 30 percent by 2030, including through the strategy of "strengthen[ing] the viability of Maine farms, fisheries, aquaculture, and other food producers through expanded, equitable, and ongoing access to funding, technical assistance, and processing and distribution infrastructure."³ These strategies recognize the importance of growing our local food sector to ensure food security for the state given the supply chain disruptions that are anticipated to result from climate change in the future as well as economic security for Mainers.

- **LD 2094 proposes \$24 million to fund the Maine Agriculture, Food and Forest Products Investment Fund.** Though estimated need for infrastructure investment in the agriculture sector exceeds this amount by more than 6-fold, this investment would make a substantial impact in support of Maine farmers, food processors, and consumers.⁴

2. Supporting Maine's dairy industry through low-interest financing

The economic viability of Maine dairy farms allows for vast acres of farmland across the state to stay in agriculture, contributes to the strength of our entire agricultural sector, and supports the vitality of rural communities. But Maine's dairy farmers are facing a myriad of challenges staying in business including massive increases in the costs of production, increasingly limited access to farmland, difficulty finding labor to support their operations, and other challenges. 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 which also support other farm operations. Maine's dairies are strongly integrated within local economies across the State in a myriad of ways – supporting businesses both within and outside of the ag sector (e.g. welders, electricians, lumber mills and many more). Given that agriculture is a key component of Maine's economy, contributing billions in economic impact, infrastructure investment to support Maine dairy farms is an important step towards solidifying this critical segment of Maine's economy.

¹ *Maine Economic Development Strategy (2020-2029): A Focus on Talent and Innovation* (2019) at 14, available at: <https://www.maine.gov/decld/strategic-plan>.

² *Id.* at 18.

³ *Maine Climate Council, Maine Won't Wait: A Four-Year Plan for Climate Action*, p. 116 (2024), available at: <https://www.maine.gov/climateplan/the-plan>.

⁴ Department of Agriculture, Conservation, and Forestry estimates that demand for agriculture infrastructure investment exceeds \$160 million based on their experience administering the \$20 million Agriculture Infrastructure Investment Program.

- In 2024, DACF created and convened a task force to develop a set of recommendations on how the State can support the long-term sustainability and resiliency of Maine's dairy sector. **LD 2094 proposes \$3 million for the Dairy Improvement Fund**, which aligns with the recommendations of the Dairy Task Force. The Dairy Improvement Fund provides low-interest financing of up to \$250,000 for projects that improve farm viability and support dairy manufacturing, marketability, and production.

3. Making a long-overdue public investment in working farmland access and protection

Protecting farmland is critical for ensuring we have the land base needed to grow our agricultural economy and strengthen food security for our communities, state, and region. But, farmland in Maine is at risk. The 2022 Census of Agriculture showed that between 2017 and 2022, more than 82,000 acres of farmland in Maine fell out of agricultural production.⁵ Farmland in Maine is being lost to agriculture due to increasing development pressures, a growing interest in farmland from non-farming buyers, dramatic increases in the cost of land, and farm viability challenges that are making it harder for farmers to afford to keep their land in agriculture. At the same time, less than 5 percent of Maine's farmland is currently protected through an agricultural conservation easement – this is the lowest amount of any state in New England. Protecting farmland through a conservation easement keeps land available for agricultural use and creates more affordable access to farmland for both new and established farmers.

Agricultural conservation also helps to build resilience to climate change for our state and communities. In fact, the state's updated 2024 climate action plan Maine Won't Wait establishes new targets specific to farmland protection – calling for Maine to secure and commit ongoing, dedicated funding for farmland conservation to double the amount of permanently protected farmland in the state by 2030 and ensure no net loss of farmland in Maine. In order to realize this goal, we need to meet the rapid growth in development pressure across the state with an equally rapid expansion of our farmland protection efforts, especially publicly funded farmland protection.

The Department of Agriculture, Conservation and Forestry (DACF) Bureau of Agriculture, Food and Rural Resources' Working Farmland Access and Protection Program (WFAPP) is a perfect vehicle for dedicated funding to farmland conservation, as it is designed to protect Maine's most productive and economically significant farmland.

- **LD 2094 proposes \$5 million to support farmland protection projects through the Working Farmland Access and Protection Program.** To best support Maine farmers, funding for farmland conservation must be included as part of agricultural infrastructure investment.

4. Ensuring that farmers facing recurring drought conditions can establish new sources for irrigation water

The Farmers Drought Relief Fund presents an important opportunity for DACF to support farmers who are experiencing climate change impacts, and need to adapt to the increasing frequency of drought conditions in the state. Increased drought occurrences are negatively impacting crop and livestock production in the state. Many farmers were impacted by extreme drought in 2025 and, according to the US Drought Monitor as of Jan 15, 2026, 100% of the state continues to experience some level of drought conditions with close to 60% of the state experiencing Severe Drought conditions or worse. The 2026 growing season will be impacted in many ways. Given the importance of drought support for farmers,

⁵ USDA NASS, *Census of Agriculture for 2022, Maine, "Land: 2022 and 2017."*

the Farmers Drought Relief Fund is a vital resource for producers to use to establish sources of irrigation water to alleviate risk of crop loss due to drought. Producers critically need this support in the years ahead.

- **LD 2094 includes \$4 million for the Farmer Drought Relief Program. This program provides farmers with grants to establish a sustainable and affordable source for irrigation water – alleviating the risks associated with drought conditions and supporting farmers with a one-time investment that will benefit the sector and Maine's economy for decades to come.**

5. Protecting soils and building soil health through voluntary programming

MFT understands that climate change is one of the most daunting challenges of our time, and will have significant impacts on Maine's agriculture sector. Protecting soils and building soil health are important climate mitigation and adaptation strategies. We are very excited to support funding for the **Maine Healthy Soils Program in this bond proposal**, a program MFT helped to champion when it was established in 2021.

1. **LD 2094 dedicates \$4 million for the Maine Healthy Soils Program.** This program creates a hub for critical information, tools, and assistance to help more Maine farms use practices to build soil health and benefit from the climate change resilience and mitigation as well as the economic benefits that healthy soils can provide. The program is already impacting our farm economy in measurable ways and this influx of funding would allow for more robust implementation of the program.

Thank you for the opportunity to provide testimony in support of LD 2094. We urge you to support this bond measure and would be glad to try to answer any questions you may have either now or during the work session.