



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

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COMMISSIONER

**TESTIMONY BEFORE THE JOINT STANDING COMMITTEE ON
APPROPRIATIONS AND FINANCIAL AFFAIRS**

IN SUPPORT OF LD 2094

"An Act to Authorize a General Fund Bond Issue to Support Maine's Agricultural and Forestry Sectors."

January 20, 2026

Senator Rotundo, Representative Gattine, and distinguished members of the Joint Standing Committee on Appropriations and Financial Affairs:

My name is Amanda Beal, and I am the Commissioner of the Maine Department of Agriculture, Conservation and Forestry (DACF). I am pleased to be here today to speak in strong support of LD 2094, *"An Act to Authorize a General Fund Bond Issue to Support Maine's Agricultural and Forestry Sectors."*

This \$40 million bond proposal represents a critical investment in the infrastructure, resilience, and long-term sustainability of vital Maine industries, which serve as the backbone of our rural economy and are essential to our state's identity, heritage, and future prosperity.

The timing of this bond is urgent. I have heard firsthand from the agricultural and forestry sectors that face significant challenges that threaten their viability and require immediate attention:

- High input costs, low prices, worker shortages, inflation, tariffs, market disruption, and other forces are pushing farms and forestry businesses to operate at thin margins or at a loss.
- Farmers, loggers, and forestry businesses are experiencing increasingly unpredictable weather patterns, including droughts, flooding, and extreme temperatures that devastate crop yields and forest health.
- Many of our agricultural facilities, processing centers, and forestry operations require modernization to remain competitive in regional and national markets, and beyond.
- The rising cost of farmland and development pressure threaten the ability of the next generation of farmers to access or retain land.

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The allocation of \$40 million that this bond concept proposes is the result of hearing from these industries—by visiting and talking with farmers and forestry professionals directly, attending listening sessions, reviewing recent Task Force reports, and analyzing the data gaps. It represents the Department's recommendations, based on our most recent available data, which point toward addressing the unmet need for infrastructure investment. It's not excessive—it's the minimum needed to begin addressing critical gaps, and without sufficient investment, these sectors of our economy will continue to struggle.

This bond is intended to directly fund five strategic areas covering: infrastructure investment; drought preparedness; healthy soils; dairy support; and working farmland protection. Importantly, the funds, as proposed, would be allocated to *existing* DACF programs utilizing our current staff structure, rather than to new programs that take time and additional staffing resources to establish. If this proposal is ultimately funded, DACF can move rapidly to distribute these funds that will make critical investments in our farms, forestry, and food production businesses. It also means that the full amount of funds allocated would flow through the Department, directly into the hands of our food, agriculture, and forestry businesses.

1. Maine Agriculture, Food and Forest Products Investment Fund (AFFPIF) — \$24 million

- **\$12 million for forestry activities:** Supporting sustainable forest management, wood processing infrastructure, and value-added forest products manufacturing.
- **\$4 million for milk producers:** The 2024 Maine Dairy Task Force, established by Legislative Resolve, delivered recommendations for supporting Maine's dairy industry in its 2024 report; dedicated funds for dairy infrastructure investment align with one of the key recommendations from this report.
- **\$8 million for other agricultural activities:** Supporting diversified farming operations, including vegetable growers, livestock producers, and specialty crop farmers.

2. Farmers Drought Grant Program — \$4,000,000

Ongoing access to sustainable water sources enables farms to develop water management plans and implement drought-resilient practices for the future.

3. Maine Healthy Soils Program — \$4,000,000

Healthy soils are the foundation of productive agriculture. This investment will enable farmers to adopt practices that build soil organic matter, improve water retention, sequester carbon, and increase long-term productivity and profitability.

4. Maine Working Farmland Access and Protection Program (WFAPP) — \$5,000,000

WFAPP can provide funding to protect farmland that is in *imminent* danger of being developed for non-farm uses.

5. Dairy Improvement Fund (DIF) — \$3,000,000

DIF, which DACF operates in conjunction with FAME, provides low-interest loans to dairy farmers for facility upgrades, equipment purchases, and business improvements that enhance profitability and sustainability. It is one of the most widely used and most impactful financial assistance programs currently offered by the Department. When funds are available to lend, dairy farmers regularly secure loans to upgrade their milking facilities, improve their energy

efficiency, and more. This proposed allocation also corresponds with the 2024 Dairy Task Force recommendations.

From DACF's experience administering the \$20 million Agriculture Infrastructure Investment Program (AIIP), we know that demand for infrastructure investment in the agricultural sector alone exceeds \$160 million. This \$40 million bond issue represents a commitment to Maine's agricultural heritage and economic future. It's an investment in the farmers and foresters who feed us, employ our rural communities, and steward our landscape. And it will strengthen and grow our agricultural and forest-based economy by reducing supply chain vulnerability, fostering business activity, and supporting our state's climate resiliency goals.

DACF strongly urges this committee to support LD 2094 and pass it out of committee for voter consideration. We believe the people of Maine deeply understand the value of our working landscapes, and we are confident they will support this critical investment in our state's future.

As I close my testimony on LD 2094, I would also like to note that the needs outlined in this bill are not the only needs within these sectors – you will hear from others here today about the impact of the 2025 drought, mill closures, and other recent events that are exacerbating economic issues within subsectors of agriculture and forestry, such as the wild blueberry and logging industries. I would like to request that this \$40 million proposal be seen as a baseline as you consider additional information brought before you today, and consider an additive approach rather than one of subtraction or substitution. The Department looks forward to working with the Legislature and our esteemed partners in making sure this proposal, in its final form, will be most impactful for Maine.

Finally, I would like to express my deep appreciation for the sponsors of this legislation, many of whom are farmers themselves. I also want to recognize Senator Daughtry, who has submitted LD 1140, a similar bond proposal. We are grateful for her leadership and ongoing support in this important area.

Thank you for your time and consideration. I am happy to answer any questions you may have.

LD 2094: THE FOOD, FARM, AND FORESTRY AGRICULTURE INFRASTRUCTURE BOND

A targeted, evidence-driven bond concept that addresses Maine's critical infrastructure gaps and responds to demonstrated demand for DACF programs and services.

Maine's agriculture and forestry sectors are the backbone of our rural economy and way of life. Our agriculture and forestry sectors:

- **Support more than 50,000 heritage industry jobs across the state.¹**
- **Provide essential products that are vital to local commerce and daily life within our communities.**
- **Preserve Maine's working landscapes as part of a thriving rural economy – not just a tourism destination.**
- **Contribute approximately \$13.5 billion annually to our state's economy.¹**

These heritage industries face serious challenges, including inflation pressure that negatively impacts pricing and costs, market and supply chain disruptions, severe weather and drought damage, aging infrastructure, limited access to affordable capital, and the need for innovation to remain competitive.

While Maine agriculture and forestry are part of the bedrock of our natural resource economy, these business models are unique in that they often feature highly leveraged, multi-generational ownership structures that cannot always be effectively supported by many traditional investment approaches (e.g., equity).

Thoughtful, patient, place-based public investment is critical for the future of Maine agriculture and forestry.

*Bond funds cannot be used for administrative or staffing costs, per state statute. Directing funds to existing DACF programs and staff is an efficient approach that maximizes fiscal impact and ensures that all funds secured through this bond would flow through DACF to food, farming, and forestry businesses.

LD 2094: AN ACT TO AUTHORIZE A GENERAL FUND BOND ISSUE TO SUPPORT MAINE'S AGRICULTURAL AND FORESTRY SECTORS

WHAT THE BOND DOES

This \$40 million bond proposal invests in **existing programs*** with a targeted, high-impact focus addressing demonstrated needs to strengthen Maine's agricultural and forestry future.

Agriculture, Food & Forest Products Investment Fund (AFFPIF) (\$24 mill):

Forestry:	\$12,000,000
Agriculture:	\$12,000,000
Total:	\$24,000,000

Healthy Soils Program (\$4 mill): Improves soil health and resilience.

Farmer Drought Relief Fund (\$4 mill): Builds resilience to climate change and severe weather impacts.

Working Farmland Access Protection (\$5 mill): Helps protect farmland that is in imminent danger of being developed for non-farm uses.

Dairy Improvement Fund (\$3 mill): Provides low-interest loans to keep Maine's dairy sector competitive. (This allocation, and a proposed set aside for dairy in AFFPIF, acts on January 2024 Dairy Task Force recommendations to the Legislature.)



Maine's support center for many land-based natural resource interests, including farms and forestry-related businesses, outdoor recreation, and public access to parks and public lands.

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The Food, Farm, and Forestry Agriculture Infrastructure Bond strengthens Maine's economy, environment, and communities.

BROAD IMPACTS

- Expands access to important **place-based and sector-specific capital** that directly supports the capacity, longevity, and vitality of Maine businesses by enabling manageable borrowing and transformative funding.
- Broadens access to critical **technical assistance** that helps Maine businesses stay in business and grow their profitability.
- Invests in farm, food, and forestry **infrastructure** that helps businesses scale, diversify, increase capacity, improve long-term viability, and become more resilient to disruptions.
- Expands and preserves **rural job opportunities** in Maine.
- Builds **resilience** by providing business owners with the tools, infrastructure, and resources necessary for preparing for and recovering from disruptions, including severe weather events.
- Catalyzes investment in **value-added manufacturing** and **innovation** that creates new and diverse market opportunities.
- Protects **precious farmland and working forests** by supporting the heritage businesses around which they are situated.
- Supports **sustainable economic growth** by increasing farm and forestry business sales through expanded capacity.



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WHAT WE KNOW

1. There is a tremendous need and unmet investment opportunity in these sectors.

▲ In 2022, DACF's Agricultural Infrastructure Investment Program awarded 64 grants totaling more than \$19 million to farms and processors throughout the state. Over 800 applications were received, requesting more than \$180 million in funding. As of 2025, AIIP resulted in approximately 85 new jobs and indirectly benefited 300+ upstream and downstream businesses. Grants helped recipients increase capacity, leverage additional financial resources, and improve efficiencies.

▲ In 2022, the Maine Department of Community & Economic Development-led Forest Recovery Initiative received 62 applications requesting \$77 million, yet only 19 projects could be funded. The \$14 million awarded leveraged \$625 million in private investment (a 44:1 match), demonstrating the multiplier potential of public investment.

▲ In 2025, DACF's Resilient Food Systems Infrastructure program received \$14.7 million in requests, with only \$3.5 million to distribute for critical infrastructure projects.

2. Market & environmental risks are rising.

▲ Market uncertainty and disruptions continue to impact Maine heritage businesses in various ways, from high tariff costs on equipment to sourcing delays to logistics and transportation barriers. Public funding is necessary to support enterprise and supply chain planning, infrastructure, and technical assistance.

▲ Climate risk is increasing. A lack of resilient agricultural water resource tools, such as storage and irrigation, poses a significant threat to farms' long-term ability to survive droughts. In addition, the observed increase in severe weather events in past years continues to cause unanticipated damage. Climate resilience funding will continue to represent a critical area of needed public financial support.

3. Voter-approved bonds represent a unique opportunity for transformative local investment.

✓ Publicly supported bonds allow Maine to mobilize and invest significantly higher volumes of financial resources than are otherwise available through typical funding channels. This transformative capital can yield direct and lasting positive change visible across the landscape and our economy.