



## MOFGA Testimony In Support Of

*LD 219 – An Act To Enhance the Agricultural Marketing Loan Fund by Establishing a Variable Interest Rate for Loans and To Allow Participants in the Maine Farms for the Future Program to Borrow at That Rate*

January 25, 2022

Dear Senator Dill, Representative O’Neil and members of the Joint Standing Committee On Agriculture, Conservation and Forestry,

On behalf of the Maine Organic Farmers and Gardeners Association (MOFGA), I am submitting comments in support of LD 1911 - *LD 219 – An Act To Enhance the Agricultural Marketing Loan Fund by Establishing a Variable Interest Rate for Loans and To Allow Participants in the Maine Farms for the Future Program to Borrow at That Rate*.

MOFGA is creating a food system that is healthy and fair for all of us. Through education, training and advocacy, we are helping farmers thrive, making more local, organic food available and building sustainable communities. We envision a future of healthy ecosystems, communities, people and economies sustained by the practices of organic agriculture. This is vision of an agriculture that generates the vast majority of the state’s food supply with locally, organically grown produce.

We are working hard to help farmers find and maintain success in the marketplace, and we are providing training to help a new generation of farmers get a solid start. Our Farmer Programs staff members provide farmers with extensive technical assistance ranging from crop and livestock production, to food processing, to organic certification, to business and marketing. Our financial training includes classes on starting a farm or food business, farm accounting and using QuickBooks, financial planning with cash flow projections and enterprise budgets, website/social media assistance, logo and label design, branding, planning and assessing marketing options, and labor management considerations. We also offer an Organic Farmer Loan Fund in collaboration with Bangor Savings Bank. Our staff works regularly with Maine’s Department of Agriculture, Conservation and Forestry, as well as the University of Maine and Cooperative Extension. Our offerings dovetail with Maine’s Farms for the Future Program (FFF). Many MOFGA-certified organic farms have received beneficial FFF grants and loans since the program’s inception.

Maine has set lofty goals for building our economy and the food sector figures prominently in that plan. Governor Mills Climate Council has set a goal of increasing the amount of food consumed in Maine from state food producers from 10% to 20% by 2025 and 30% by 2030 through local food system development. If we are going to become more self-reliant with our food production, we need to provide more financial support for farmers so they gain access to land and so they can be successful in the marketplace. We appreciate that LD 219 would provide loans for farmland access under the Agricultural Marketing Loan Fund (AMLF). We are encouraged that the Maine Healthy Soils Program is taking shape and that grants and loans in the Health Soils Fund could be linked to the AMLF through this legislation.



LD 219 would provide helpful investments in Maine's food and agriculture system by ensuring funding for the Agricultural Development Grant program (ADG). MOFGA has been able to provide technical assistance to farmers through ADG funding and we are excited that this program will gain greater support with passage of this legislation. Last year, we advocated for an adjustment to the Potato Marketing Loan Fund and we are happy to see that LD 219 would emulate the interest rate that this committee supported last year. We also appreciate that this legislation would reduce the match rate for borrowers to 10%.

We feel that this bill provides an important incentive to help farmers develop viable business plans and we encourage you to support this bill.

Respectfully submitted,



Heather Spalding  
Deputy Director and Senior Policy Director

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*The Maine Organic Farmers and Gardeners Association (MOFGA) started in 1971 and is the oldest and largest state organic organization in the country. We're a broad-based community that educates about and advocates for organic agriculture, illuminating its interdependence with a healthy environment, local food production, and thriving communities. We have 11,000 members, we certify more than 500 organic farms and processing facilities representing \$90 million in sales, and we are working hard to provide training and create opportunities for Maine's next generation of farmers. Each of these farmers is a Maine businessperson for whom economic health and environmental health are interdependent. While MOFGA envisions a future of healthy ecosystems, communities, people and economies sustained by the practices of organic agriculture, we attribute our success to collaboration and outreach to growers across the management spectrum.*