



Maine Grocers &  
Food Producers  
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**IN SUPPORT – LD 1670 ‘An Act to Strengthen Maine's Agriculture, Food and Forest Economy by Funding the Maine Agriculture, Food and Forest Products Investment Fund and Amending Related Provisions of Law’**

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). Unfortunately, I'm unable to be here in person today as we're hosting our association's annual meeting and professional development conference but please do not misconstrue my absence as a lack of support. 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 Speaker Talbot-Ross' 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 within the state's omnibus package. LD 1733 assigned the 'State Fiscal Recovery Funds' as a part of the American Rescue Plan Act of 2021 and was signed by the Governor on July 19, 2021 (originally brought forward as *LD 1565 An Act To Strengthen Maine's Agriculture, Food and Forest Economy*).

There is a bountiful market of Maine food producers. In the fall of 2022, Maine awarded nearly \$20 million in grant awards through the Maine Jobs & Recovery Plan to help Maine farmers and food processors address infrastructure needs to expand in-state production and processing. It was noted, "These funds will help our farmers increase the supply of Maine-grown food, meet growing demand, create and sustain jobs in one of Maine's iconic heritage industries while also strengthening our food system, supporting economic growth, and enhancing Maine's national reputation for food excellence." Of particular interest is that these AIIP grants "will be used to support a variety of infrastructure needs, including harvesting, processing, and manufacturing or packaging and handling equipment." The grants will ensure "resilience, grow our agricultural and food economy, and enhancing production of Maine-grown foods." We fully support endeavors to further assist Maine's food producers and manufacturers both in infrastructure investment and market expansion.

Additional data supporting the need for the funding includes *Maine's Quarterly and Annual Industry Employment and Wages* data that reports more than 280 "Food Manufacturers" (NAICS code 311) are established in the state (growing by more than 40 established businesses since 2015) (Q3/2022). 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 as supplier and induced economic impact across manufacturing, transportation, government, financial services and beyond.<sup>1</sup>

According to a study by Portland-based Fork Food Lab, the Maine "Story" has the potential for a 10%-20% premium in the marketplace.<sup>2</sup> IRI, a data analytics and insight company, reports that a leading product claim trend for products in 2020 included 'product origin.' Funding the *Maine Agriculture, Food and Forest Products Investment Fund* will establish a

<sup>1</sup> <https://goodstone.guerrillaeconomics.net/reports/0b790408-64c3-4730-9dc0-b585e14e557d>

<sup>2</sup> Fork Food Lab 2.0: Market Analysis, Caroline Paras March 1, 2020

foundation of capital to allow for both private and public monies. This will better position the industry, both retailers and food manufacturers alike, to meet the demand for Maine foods. Secondly, this bill will ensure investment objectives are appropriately targeted and not duplicative while establishing various grants and loans as part of the fund.

70% of the small-scale food producer community has indicated that they need assistance with wholesale partnerships, determining shelf-life, relationship building, distribution (including how to find and determining the criteria for the correct partnerships) along with assistance in logistic, pricing, marketing and sales strategies. Our industry has indicated that there is a lack of co-packing options and co-located, quality food production spaces. A frequently referenced obstacle is that logistics and distribution models favor larger business models over small-scale production of smaller batches and lower profits, especially with cold goods. It is encouraging to think that this effort with an accompanying assessment will be funded for additional, targeted and appropriately scaled food processing infrastructure projects. We're looking forward to learning whether or not funds and this strategy can also play a role engaging retailers with technical assistance for local buying and marketing program resources.

*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; ensuring funds *and* the proper allocation of funds to enable the food processing and manufacturing sector to grow is critically important for these companies to meet the demand.

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 programing 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