

## Testimony of Abby Farnham, Assistant Director, Policy and Research, Maine Farmland Trust, before the 131<sup>th</sup> Legislature's Joint Standing Committee on Agriculture, Conservation and Forestry

February 28, 2024

Good afternoon Senator Ingwersen, Representative Pluecker, and members of the Joint Standing Committee on Agriculture, Conservation, and Forestry. My name is Abby Farnham and I am testifying today on behalf of Maine Farmland Trust (MFT) in support of the LD 2212 – An Act to Strengthen Maine's Agriculture, Food System and Forest Products Infrastructure Investment.

MFT is a member-powered statewide organization that works to protect farmland, support farmers, and advance the future of farming. Our goal is to keep agricultural lands working and help farmers and their communities thrive. Since our founding in 1999, MFT has helped to permanently protect more than 330 farms and keep nearly 60,000 acres of farmland in farming. Our Farm Network includes over 500 farms and in 2023, MFT supported 58 farm businesses with workshops, technical assistance, and grants – delivering over 600 hours of technical assistance and \$197,000 in business and seed grants to help businesses grow their profitability.

MFT believes that the viability of agriculture 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 local food system. But, Maine agriculture is facing significant challenges that threaten the viability of farms and the land base on which they rely. The recently released 2022 Census of Agriculture data for Maine showed a continuation in the trend that we saw in the previous Census of a reduction in farms, with a loss of 564 farms between 2017 and 2022.<sup>1</sup> One of the challenges facing farms is a lack of agricultural infrastructure and processing capacity, which can contribute to higher costs of production and limit the ways in which farmers can diversify, grow, and adapt their businesses.

In our work we have seen how Maine farmers need improved infrastructure, processing and other innovative opportunities both on and off the farm and across all agricultural sectors 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

<sup>&</sup>lt;sup>1</sup> United States Department of Agriculture (USDA), National Agricultural Statistics Service (NASS), *Census of Agriculture for 2022, Maine*, "Historical Highlights: 2022 and 2017."

production in the state requires innovation to produce shelf-stable local products that can feed Mainers and create market opportunities outside of the state 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 scale up 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.<sup>2</sup> 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."<sup>3</sup> This type of investment will also be necessary to meet the state's climate action plan strategy of "increase[ing] the amount of food consumed in Maine from state food producers from 10 percent to 20 percent by 2025 and 30 percent by 2030 through local food system development."<sup>4</sup> This strategy recognizes 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.

LD 2212 would help to provide needed expansion of agricultural infrastructure and processing capacity in Maine by capitalizing the Maine Agriculture, Food and Forest Products Investment Fund, which was established in the 130th Legislature to facilitate strategic infrastructure investments in the agriculture, food, and forest products economies. The \$10 million investment proposed by LD 2212 would support Maine's heritage industries, including agricultural producers and processors, by providing an important source of funding for agricultural infrastructure development and increasing access to new markets and opportunities through public-private partnerships. This funding would also prioritize investments in historically marginalized, underrepresented, and underserved communities, in alignment with the recommendations of the Permanent Commission's 2022 report Land Access for Indigenous & African American Farmers in Maine by addressing the lack of access to capital and technical assistance that historically disadvantaged populations have had in food and farming related industries. Lastly, based on their track record managing other funds, the Department of Agriculture, Conservation, and Forestry is poised with the experience and skills needed to effectively administer the Maine Agriculture, Food, and Forest Products Investment Fund.

One specific area of feedback we have on this bill is under Sec. 3. 7 MRSA §320-C, sub-§8 (page 2, lines 8-9). As it is currently written, this section limits recipients of the Fund to producers who have an existing processing or manufacturing facility. We recommend changing the language in this section to ensure that the Fund supports infrastructure investments for

<sup>&</sup>lt;sup>2</sup> Maine Economic Development Strategy (2020-2029): A Focus on Talent and Innovation (2019) at 14, available at: <u>https://www.maine.gov/decd/strategic-plan</u>.

<sup>&</sup>lt;sup>3</sup> Id. at 18.

<sup>&</sup>lt;sup>4</sup> Maine Climate Council, *Maine Won't Wait, A Four-Year Plan for Climate Action* (Dec. 2020) at 13, available at: <u>https://www.maine.gov/climateplan/</u>.

farmers and agricultural producers who do not have an established processing or manufacturing facility.

Thank you for the opportunity to speak today in support of LD 2212.