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H.P. 1162

House of Representatives, April 27, 2021

An Act To Strengthen Maine's Agriculture, Food and Forest Economy

Received by the Clerk of the House on April 23, 2021. Referred to the Committee on Agriculture, Conservation and Forestry pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in black ink that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative TALBOT ROSS of Portland.
Cosponsored by Senator HICKMAN of Kennebec and
Representatives: LANDRY of Farmington, O'NEIL of Saco, PLUECKER of Warren, Senators:
BRENNER of Cumberland, DILL of Penobscot, MAXMIN of Lincoln, VITELLI of
Sagadahoc.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 5 MRSA §12004-J, sub-§1-A** is enacted to read:

3 **1-A.**

4 Agriculture Maine Agriculture, Food Expenses Only 7 MRSA §320-C
5 System and Forest Products
6 Infrastructure Investment
7 Advisory Board

8
9 **Sec. 2. 7 MRSA c. 10-C** is enacted to read:

10 **CHAPTER 10-C**

11 **AGRICULTURE, FOOD AND FOREST PRODUCTS**

12 **§320-A. Agriculture, food system and forest products infrastructure investment**

13 **1. Definitions.** As used in this chapter, unless the context otherwise indicates, the
14 following terms have the following meanings.

15 A. "Food system" means all processes, infrastructure and persons involved in feeding
16 a population, including growing, harvesting, collecting, processing, manufacturing,
17 packaging, transporting, marketing, selling, consuming and disposing of food and
18 food-related items in the State.

19 B. "Infrastructure" means property, equipment, networks and supporting services
20 associated with the production, harvest, processing, manufacturing, storage,
21 packaging, transporting, marketing, sales and disposal of food.

22 C. "Producer" means a person in the State who grows, manufactures, harvests or
23 otherwise creates agricultural, food or forest products and value-added products,
24 including a person engaged in farming, harvesting or other agricultural and forestry
25 manufacturing activities.

26 D. "Supply chain" means the chain of distribution by which agricultural, food and
27 forest products are moved from the producer to the consumer and may include
28 intermediate entities, including aggregators of various products, manufacturers, value-
29 added producers, processors, packagers, warehouse operators and other storage
30 entities, distributors, wholesalers and retailers.

31 E. "Value-added" means changing the physical state or form of a product through
32 processing or manufacturing to enhance or increase the product's value, including
33 making the product suitable to generate renewable energy.

34 **2. Goals; investment; inclusiveness.** The commissioner, in coordination with the
35 Department of Economic and Community Development, industry stakeholders,
36 representatives of Indian tribes, communities of color and other underserved communities
37 and populations and other relevant agencies, shall:

1 A. Strengthen the State's agricultural, food and forest products economy with a priority
2 of making resulting efforts more inclusive of and increasing investments in historically
3 marginalized, underrepresented and underserved communities, including communities
4 of color, low-income communities and rural communities that typically lack access to
5 capital to start, sustain, scale and innovate businesses;

6 B. Expand infrastructure investments in the agricultural, food and forest products
7 economy to increase access to new markets and opportunities for producers,
8 processors, small businesses and consumers in the State in the producing, processing,
9 manufacturing, packaging, distribution, marketing, sale and consumption of products;
10 and

11 C. Collaborate with other state agencies, economic development organizations and
12 other key institutional partners to establish technical assistance programs to support the
13 objectives of this chapter.

14 **3. Powers.** In carrying out the purposes of this chapter, the commissioner may:

15 A. Hire or assign staff or contractors, including community development financial
16 institutions, economic development organizations, quasi-governmental entities or other
17 capital or technical assistance providers;

18 B. Seek and accept funds from public and private sources; and

19 C. Administer funds, grants and programs.

20 **§320-B. Maine Agriculture, Food and Forest Products Investment Fund**

21 **1. Fund established.** The Maine Agriculture, Food and Forest Products Investment
22 Fund, referred to in this chapter as "the fund," is established and administered by the
23 department to support public-private partnerships to carry out the purposes of this chapter.
24 The fund consists of money appropriated to the fund or received from any other private or
25 public source. Interest in investment of money of the fund is credited to the fund.
26 Unexpended balances at the end of the fiscal year do not lapse but carry over into the next
27 fiscal year. The Maine Agriculture, Food System and Forest Products Infrastructure
28 Investment Advisory Board established in section 320-C shall oversee and determine
29 expenditures from the fund.

30 **§320-C. Maine Agriculture, Food System and Forest Products Infrastructure**
31 **Investment Advisory Board**

32 **1. The Maine Agriculture, Food System and Forest Products Infrastructure**
33 **Investment Advisory Board.** The Maine Agriculture, Food System and Forest Products
34 Infrastructure Investment Advisory Board established in Title 5, section 12004-J,
35 subsection 1-A, referred to in this section as "the board," is created to oversee and determine
36 expenditures from the Maine Agriculture, Food and Forest Products Investment Fund in
37 section 320-B.

38 **2. Membership.** The board consists of the commissioner or the commissioner's
39 designee, the Commissioner of Economic and Community Development or the
40 commissioner's designee and 11 members appointed jointly by the commissioner and the
41 Commissioner of Economic and Community Development as follows:

42 A. One member of a statewide industry group representing conventional nondairy
43 farming;

- 1 B. One member of a statewide industry group representing organic nondairy farming;
- 2 C. One member of a statewide industry group representing dairy producers;
- 3 D. One member of a statewide industry group representing the forest products
- 4 industry;
- 5 E. Two members from relevant financial institutions with experience in the
- 6 agricultural and forest products industries;
- 7 F. One manufacturer of forest products;
- 8 G. One manufacturer of value-added agricultural products or representative of the
- 9 value-added agricultural products industry;
- 10 H. Two members representing the supply chain in processing, manufacturing or
- 11 distribution; and
- 12 I. One member actively engaged in providing marketing assistance, market
- 13 development or business and financial planning.

14 Board membership must reflect a diversity of skills and experience relevant to investment
15 in agricultural, food and forest products processing and manufacturing industries and
16 represent the racial diversity of the food system in the State with specific representation by
17 Indian tribes, communities of color and other underserved communities and populations.

18 **3. Terms; officers; committees; rules.** Board members serve for 3-year terms and
19 may serve no more than 3 consecutive terms. The members shall elect a chair and may
20 elect officers, establish one or more committees or subcommittees and adopt such
21 procedural rules as the members determine necessary and appropriate to perform the
22 board's work.

23 **4. Quorum; meeting; voting.** A majority of the sitting members constitute a quorum,
24 and action taken by the board may be authorized by a majority of the members present and
25 voting at any regular or special meeting at which a quorum is present. The board may
26 permit any or all members to participate in a regular or special meeting by or conduct the
27 meeting through the use of any means of communication, including electronic
28 telecommunications or a telephone conference call, by which all members participating
29 may communicate with each other during the meeting. A member participating in a
30 meeting by means approved by the board under this subsection is deemed to be present in
31 person at the meeting.

32 **5. Reimbursement.** A member of the board is entitled to reimbursement of mileage
33 and other incidental expenses, if funds are available for such purposes, pursuant to Title 5,
34 chapter 379.

35 **6. Powers and duties of board.** The board, in determining disbursements of the
36 Maine Agriculture, Food and Forest Products Investment Fund, shall:

- 37 A. Facilitate strategic investments in the State's agricultural, food and forest products
- 38 processing and manufacturing industries, including value-added products;
- 39 B. Foster an environment that encourages innovation, sustainable growth, equity and
- 40 inclusion;
- 41 C. Implement and maintain business technical assistance programs in support of the
- 42 fund and other funds as needed;

1 D. Determine and devise a process for requests for proposals to perform 3rd-party
2 services in support of and for the management and administration of the fund and other
3 potential natural resource-related funds as needed and for technical assistance
4 programs that ensure that economic development organizations, capital providers and
5 community development financial institutions in any region of the State are able to
6 fairly compete for disbursements from the fund to meet identified infrastructure
7 investment needs and fulfill the objectives of the funding and technical assistance
8 programs;

9 E. Enter into performance contracts with one or more persons in order to provide
10 investment and services to agricultural, food and forest products industries, including:

11 (1) Technical assistance and product research services;

12 (2) Marketing assistance, market development and business and financial
13 planning;

14 (3) Organizational, regulatory and development assistance, including feasibility
15 studies of facilities or capital investments to optimize construction and other cost
16 efficiencies; and

17 (4) Identification of workforce needs and programs in order to develop training
18 and incentive opportunities for the agricultural, food and forest products industries
19 after consulting with the Department of Labor; and

20 F. Oversee, analyze and evaluate programs, contractors and other recipients of funds
21 disbursed by the board annually, including:

22 (1) Analyzing fund and technical assistance program use;

23 (2) Recommending program changes and improvements; and

24 (3) Preparing a comprehensive report, in collaboration with the Department of
25 Economic and Community Development and other appropriate agencies and
26 organizational partners, on the performance, use and sustainability of funds and
27 supporting programs of the Maine Agriculture, Food and Forest Products
28 Investment Fund to submit to the commissioner.

29 **Sec. 3. State agriculture, food and forest products infrastructure funding**
30 **assessment.** The Department of Agriculture, Conservation and Forestry shall undertake,
31 either directly or with suitable 3rd parties, an assessment to identify specific opportunities
32 for investment in agricultural, food and forest products industries to inform development
33 and structuring of disbursements from the Maine Agriculture, Food and Forest Products
34 Investment Fund under the Maine Revised Statutes, Title 7, section 320-B and other
35 potential natural resource industry-related funds.

36 **1. Assessment.** The assessment must be designed and conducted in collaboration with
37 the Department of Economic and Community Development and other relevant state
38 agencies, community and economic development organizations, industry stakeholder
39 groups, financial institutions and experts in related subjects. The assessment must be in
40 alignment with a state 10-year economic development strategy produced by the Department
41 of Economic and Community Development. The assessment must:

- 1 A. Identify the highest priority areas for policy interventions, including legislation,
2 capital investments, technical assistance and value chain coordination in agricultural,
3 food and forest products industries;
- 4 B. Recommend how State Government may collaborate with other entities to minimize
5 duplication in efforts and programs and bridge gaps in technical assistance, services,
6 education, research and development;
- 7 C. Recommend initiatives that improve regulation, marketing, transportation or
8 distribution systems that enhance market opportunities for state agricultural, food and
9 forest products industries;
- 10 D. Balance the State's desire for near-term returns on investment with the State's
11 commitments to redress racial and other inequities;
- 12 E. Gather new information and leverage existing research, data and understanding
13 related to current state grant and loan programs, gaps or market failures surrounding
14 existing processing infrastructure, stakeholder perspectives and any other relevant
15 informational resources;
- 16 F. Determine key criteria relative to a state food system investment or fund, including
17 eligibility, size, scale, type and other parameters as appropriate;
- 18 G. Determine key criteria relative to a business technical assistance program to support
19 a state food system investment fund, including eligibility, size, scale, type and other
20 parameters as appropriate; and
- 21 H. Determine how to best support additional investments in the agricultural, food and
22 forest products industries, including recommendations for multiple funds and a variety
23 of investment tools and mechanisms.

24 **2. Report.** No later than December 1, 2021, the Commissioner of Agriculture,
25 Conservation and Forestry shall submit a report relating to the assessment in subsection 1
26 with findings and recommendations, including suggested legislation, to the Joint Standing
27 Committee on Agriculture, Conservation and Forestry. The committee may submit
28 legislation based upon the report to the Second Regular Session of the 130th Legislature.

29 **SUMMARY**

30 This bill:

- 31 1. Requires the Commissioner of Agriculture, Conservation and Forestry to work with
32 the Department of Economic and Community Development and other relevant state
33 agencies, industry stakeholders and community organizations to carry out the following
34 duties:
 - 35 A. Strengthen the State's agricultural, food and forest products economy with a priority
36 of making resulting efforts more inclusive of and increasing investments in historically
37 marginalized, underrepresented and underserved communities; and
 - 38 B. Improve investment in agricultural, food and forest products industries to increase
39 access to new markets and opportunities for producers, processors, small businesses
40 and consumers in the production, processing, packaging, distribution, marketing, sale
41 and consumption of products in ways that balance the desire for short-term returns on
42 investment with the State's commitment to redress racial and other inequities;

1 2. Establishes the Maine Agriculture, Food and Forest Products Investment Fund to
2 facilitate strategic investments in the State's agricultural, food and forest products
3 processing and manufacturing industries, including value-added products; and

4 3. Establishes the Maine Agriculture, Food System and Forest Products Infrastructure
5 Investment Advisory Board, representing a diversity of skills and experience relevant to
6 investment in agricultural, food and forest products industries and the racial diversity of
7 the food system in the State with specific representation by Indian tribes, communities of
8 color and other underserved communities and populations, to determine disbursements
9 from and oversee the Maine Agriculture, Food and Forest Products Investment Fund, to
10 devise a process for requests for proposals and enter into 3rd-party contracts to carry out
11 the purposes of the fund and related technical assistance programs and to provide regular
12 reporting and evaluation related to performance and sustainability.