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MOFGA Testimony In Support Of  
*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*  
April 26, 2023

Good morning Senator Ingwersen, Representative Pluecker and members of the Joint Standing Committee on Agriculture, Conservation and Forestry. My name is Heather Spalding and I am deputy director of the Maine Organic Farmers and Gardeners Association (MOFGA). I'm speaking in support of *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*.

A broad-based community, 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. MOFGA certifies 535 organic farms and processing operations representing roughly \$90 million in sales and we are working hard to 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.

This bill would support the resiliency of Maine's food supply by appropriating \$20 million in FY 2024 and FY 2025 for Maine's Agriculture, Food and Forest Products Investment Fund, which was approved by the last Legislature to make significant infrastructure investments in our farm, food and forest sectors. Last year, through Governor Mills' Maine Jobs and Recovery Plan, which was funded by President Biden's American Rescue Plan, our state provided \$20 million in grants for Maine's Agricultural Infrastructure Investment Program. A broad range of agricultural businesses, 64 in all, including many MOFGA-certified organic operations, were the fortunate beneficiaries of infrastructure grants ranging from \$40,000 to \$500,000. This was a really exciting program that helped many farms scale up production to meet escalating demands for fresh, local Maine food. However, the program received far more worthy applications than it could fund and there is an ongoing need for significant infrastructure investments.

The COVID-19 pandemic underscored both the fragility of Maine's food system and the resiliency and innovation of our farmers, food processors, distributors, retailers and food security organizations. The disruption to markets due to COVID created a growing interest in farmers diversifying into value-added products to increase the stability of their businesses. Many were able to develop more products for their remaining or new markets (there were lots of new farm stands) by adding commercial kitchens on farm, by working with co-packers or incubator kitchens, and by buying in more value-added Maine products from other



farms/businesses. Many of our farmers also began to market their products cooperatively and directly to consumers, requiring aggregation and distribution infrastructure.

There is a great need for improved infrastructure for the dairy sector, both on-farm and at the processing level. As you have heard many times during this legislative session, many Maine dairy farmers are perilously close to going out of business. This loss of dairy farms has serious adverse impacts on the broader agricultural sector and we need to do everything we can to reverse the trend of closing dairy farms. LD 1670 could provide much needed support for the dairy farmers hanging on and working to ensure profitability for small and mid-size dairy farms. There is a need for expanding dairy processing capacity, especially for value-added products and in closer proximity to where the milk is produced. MOO Milk (Maine's Own Organic Milk company) made a valiant effort to fill that need but antiquated infrastructure stymied progress and it had to close.

Several of our livestock farms are venturing into on-farm butchery and expanding those operations as access to licensed slaughterhouses in Maine is limited. Farms are making infrastructure improvements but they report that accessing financial capital through financing or grants is very burdensome and challenging, so many farms are not able to make these improvements, or would make more improvement if funding were available.

In recent years on-line ordering, payment and pick-up scheduling has become common for most direct-to-consumer farms and also is being used by some wholesale markets. Broadband access is a clear need for successful Maine farm businesses.

MOFGA's staff members work closely with our certified organic farmers and hear recurring calls for broadband access and online marketing resources, on-farm processing facilities to produce value-added products, improved transportation and distribution systems to support remote farm businesses participation in dense market areas, and, probably most frequently, on-farm infrastructure that is compliant with the Food Safety Modernization Act (FSMA).

MOFGA appreciates that this fund specifically addresses racial equity and lack of access to capital and technical assistance that historically disadvantaged populations have had in our food, farm and forest sectors. Bold investment in these sectors will benefit all Maine people.

Thank you and I'd be happy to answer questions if you have any.