

LD 2094: THE FOOD, FARM, AND FORESTRY AGRICULTURE INFRASTRUCTURE BOND

A targeted, evidence-driven bond concept that addresses Maine's critical infrastructure gaps and responds to demonstrated demand for DACF programs and services.

Maine's agriculture and forestry sectors are the backbone of our rural economy and way of life. Our agriculture and forestry sectors:

- Support more than 50,000 heritage industry jobs across the state.¹
- Provide essential products that are vital to local commerce and daily life within our communities.
- Preserve Maine's working landscapes as part of a thriving rural economy – not just a tourism destination.
- Contribute approximately \$13.5 billion annually to our state's economy.¹

These heritage industries face serious challenges, including inflation pressure that negatively impacts pricing and costs, market and supply chain disruptions, severe weather and drought damage, aging infrastructure, limited access to affordable capital, and the need for innovation to remain competitive.

While Maine agriculture and forestry are part of the bedrock of our natural resource economy, these business models are unique in that they often feature highly leveraged, multi-generational ownership structures that cannot always be effectively supported by many traditional investment approaches (e.g., equity).

Thoughtful, patient, place-based public investment is critical for the future of Maine agriculture and forestry.

*Bond funds cannot be used for administrative or staffing costs, per state statute. Directing funds to existing DACF programs and staff is an efficient approach that maximizes fiscal impact and ensures that all funds secured through in this bond would flow through DACF to food, farming, and forestry businesses).

LD 2094: AN ACT TO AUTHORIZE A GENERAL FUND BOND ISSUE TO SUPPORT MAINE'S AGRICULTURAL AND FORESTRY SECTORS

WHAT THE BOND DOES

This \$40 million bond proposal invests in **existing programs*** with a targeted, high-impact focus addressing demonstrated needs to strengthen Maine's agricultural and forestry future.

Agriculture, Food & Forest Products Investment Fund (AFFPIF) (\$24 mill):

Forestry:	\$12,000,000
Agriculture:	\$12,000,000
Total:	\$24,000,000

Healthy Soils Program (\$4 mill): Improves soil health and resilience.

Farmer Drought Relief Fund (\$4 mill): Builds resilience to climate change and severe weather impacts.

Working Farmland Access Protection (\$5 mill): Helps protect farmland that is in imminent danger of being developed for non-farm uses.

Dairy Improvement Fund (\$3 mill): Provides low-interest loans to keep Maine's dairy sector competitive. (*This allocation, and a proposed set aside for dairy in AFFPIF, acts on January 2024 Dairy Task Force recommendations to the Legislature.*)



Maine's support center for many land-based natural resource interests, including farms and forestry-related businesses, outdoor recreation, and public access to parks and public lands.

CONTACT: Emily K. Horton
Director of Policy & Community Engagement
DACF Commissioner's Office
(207) 287-3200

The Food, Farm, and Forestry Agriculture Infrastructure Bond strengthens Maine's economy, environment, and communities.

BROAD IMPACTS

- Expands access to important **place-based and sector-specific capital** that directly supports the capacity, longevity, and vitality of Maine businesses by enabling manageable borrowing and transformative funding.
- Broadens access to critical **technical assistance** that helps Maine businesses stay in business and grow their profitability.
- Invests in farm, food, and forestry **infrastructure** that helps businesses scale, diversify, increase capacity, improve long-term viability, and become more resilient to disruptions.
- Expands and preserves **rural job opportunities** in Maine.
- Builds **resilience** by providing business owners with the tools, infrastructure, and resources necessary for preparing for and recovering from disruptions, including severe weather events.
- Catalyzes investment in **value-added manufacturing and innovation** that creates new and diverse market opportunities.
- Protects **precious farmland and working forests** by supporting the heritage businesses around which they are situated.
- Supports **sustainable economic growth** by increasing farm and forestry business sales through expanded capacity.



CONTACT: Emily K. Horton
Director of Policy & Community Engagement
DACF Commissioner's Office
(207) 287-3200

WHAT WE KNOW

1. There is a tremendous need and unmet investment opportunity in these sectors.

⚠️ In 2022, DACF's Agricultural Infrastructure Investment Program awarded 64 grants totaling more than \$19 million to farms and processors throughout the state. Over 800 applications were received, requesting more than \$180 million in funding. As of 2025, AIIP resulted in approximately 85 new jobs and indirectly benefited 300+ upstream and downstream businesses. Grants helped recipients increase capacity, leverage additional financial resources, and improve efficiencies.

⚠️ In 2022, the Maine Department of Community & Economic Development-led Forest Recovery Initiative received 62 applications requesting \$77 million, yet only 19 projects could be funded. The \$14 million awarded leveraged \$625 million in private investment (a 44:1 match), demonstrating the multiplier potential of public investment.

⚠️ In 2025, DACF's Resilient Food Systems Infrastructure program received \$14.7 million in requests, with only \$3.5 million to distribute for critical infrastructure projects.

2. Market & environmental risks are rising.

⚠️ Market uncertainty and disruptions continue to impact Maine heritage businesses in various ways, from high tariff costs on equipment to sourcing delays to logistics and transportation barriers. Public funding is necessary to support enterprise and supply chain planning, infrastructure, and technical assistance.

💧 Climate risk is increasing. A lack of resilient agricultural water resource tools, such as storage and irrigation, poses a significant threat to farms' long-term ability to survive droughts. In addition, the observed increase in severe weather events in past years continues to cause unanticipated damage. Climate resilience funding will continue to represent a critical area of needed public financial support.

3. Voter-approved bonds represent a unique opportunity for transformative local investment.

✅ Publicly supported bonds allow Maine to mobilize and invest significantly higher volumes of financial resources than are otherwise available through typical funding channels. This transformative capital can yield direct and lasting positive change visible across the landscape and our economy.

³This figure is a combined estimate based on data provided by the Maine Department of Economic and Community Development (Forestry & Forest Products Industry Profile, 2023), the Maine Forest Products Council (primary industry data), and Farm Credit East (Northeast Economic Engine Report, 2024)