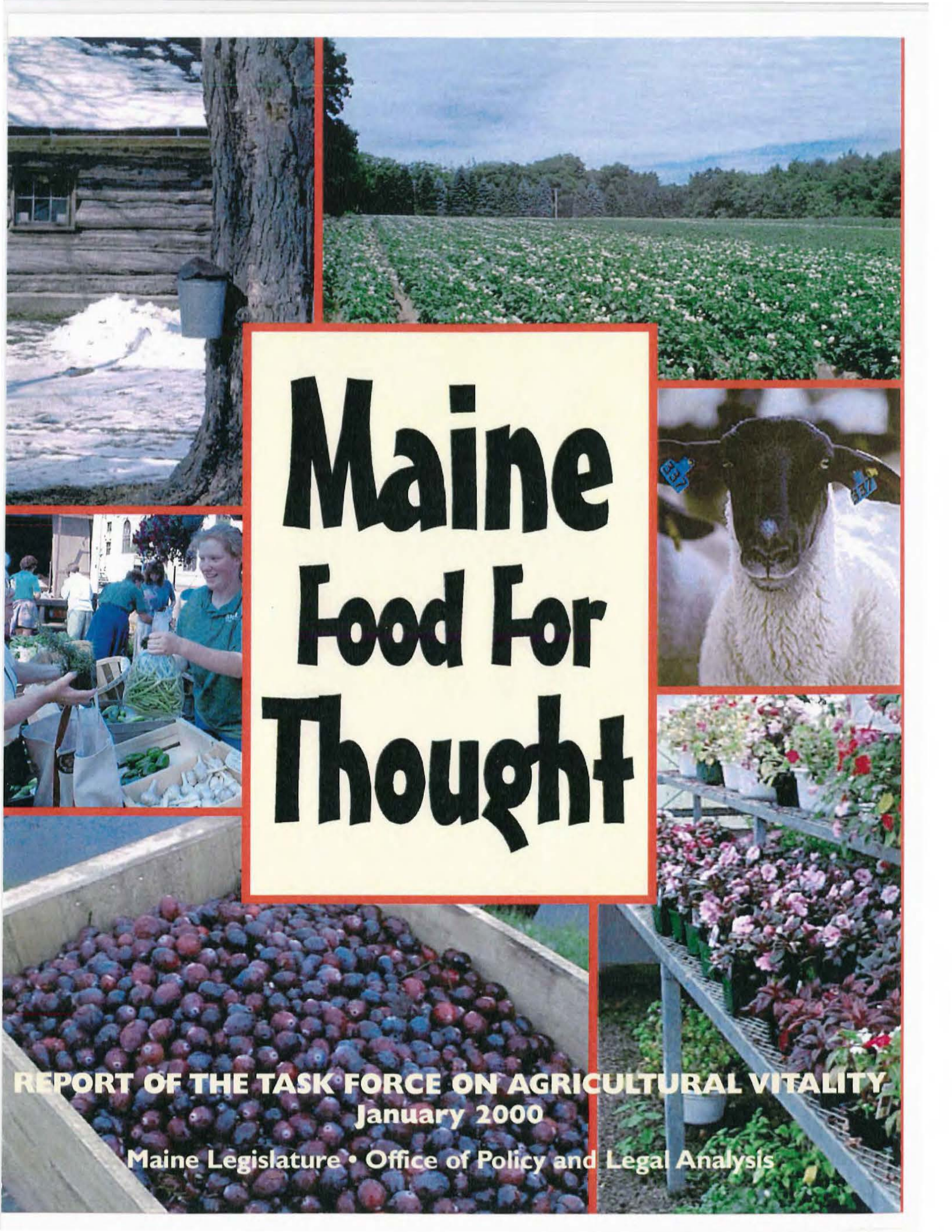


MAINE STATE LEGISLATURE

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Maine Food For Thought

REPORT OF THE TASK FORCE ON AGRICULTURAL VITALITY
January 2000

Maine Legislature • Office of Policy and Legal Analysis

**STATE OF MAINE
119TH LEGISLATURE
FIRST REGULAR SESSION**

FOOD FOR THOUGHT

Final Report

of the

TASK FORCE ON AGRICULTURAL VITALITY

January 2000

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Cover Design: Carol Jones
Division of Marketing, Production Development

I. Introduction

We want to make you hungry for farm fresh, local food!

The smell of fresh
homemade bread



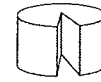
The taste of fresh
strawberry jam



Steaming hot apple
pie fresh from the oven



How about some
cheese with that pie?



We started here:

1. Farm fresh food tastes good.
2. Growing our food close to home lets us develop a safe, healthy and reliable food supply.
3. We live in an agricultural state. We should be able to watch our food grow and meet the farmer who grows it.
4. Expanding small-scale agriculture creates a diverse array of profitable farms and value-added agricultural products. Expanding small-scale agriculture will have a significant impact on the entire Maine economy and enhance rural opportunities where jobs and income are most needed.
5. Rural towns that maintain traditional, land-based occupations maintain traditional values: hard work, pride in personal accomplishment, and respect for the land. They are good places to live and good places to visit.
6. Food does grow on trees. And in fields and barnyards. Consumers need to learn to connect food with farms and open space.
7. In a local food economy consumers have the chance to choose among production methods and the opportunity to learn about food handling and preparation from the source – the farmer.
8. Extraordinary opportunities exist for developing agricultural enterprises in Maine. Capitalizing on these opportunities offers a strategy for economic development that will increase income for farmers, provide jobs in rural areas, protect farmland and quality of life for Maine citizens, and improve the experience of visitors to our state.

The Seed:

The Task Force to Study the Need for an Agricultural Vitality Zone Program, referred to in this report as The Task Force on Agricultural Vitality, was established in Resolve 1999, Chapter 81. The task force convened October 7th. At that first meeting, members of the task force began their deliberations with the shared acknowledgment that farms provide jobs and income important to rural economies, and open space and healthy food important to the quality of life for all Maine citizens and visitors.

The Resolve refers to “small-scale agricultural enterprises”. Many of these operations in other sectors of the economy would be referred to as “micro-enterprises”. The task force heard from many people who described diverse agricultural endeavors. We have focused our efforts on farms that may be characterized as one or more of the following:

- **Small-scale farms.** These are typically one or two person operations direct marketing within their own geographic region. Frequently this type of farm business is a beginning or part-time operation.
- **Traditional family farms.** Many of these operations are situated on some of our most valuable farmlands where Maine's farm families have worked the land for generations. These farmers work hard to produce a product and are faced with marketing their product in an increasingly complex market system dominated by the interest of large corporations and retail chains. This farmland is often the land most in jeopardy of being lost to other uses.
- **Farms focusing on specialty or niche markets.** These farms and networks of farms produce specialty and value-added products.

A simplified restatement of the task force's charge is “to determine how the State can promote small-scale agricultural enterprises and the benefits they bring.” A central premise to the task force's approach was that the best way to keep farmland in farming is to maintain and increase the number and profitability of agricultural enterprises and to increase consumer demand for fresh, local food.

With this premise the task force decided to focus on marketing of agricultural products and support services available to agricultural enterprises. We made this decision recognizing that other groups, most notably the “Smart Growth” Task Force¹, were studying growth management and farm and open space tax policy. We have reviewed their recommendations and endorse those pertaining to farmland in the *Next Generation* section of this report.

Sowing, reaping, and milking:

Central to our mission was hearing from people involved in agriculture throughout the state. Four meetings were held inviting public comment. These meetings were in **Houlton** on October 27, 1999, **Blue Hill** on November 5, 1999, **Farmington** on November 17, 1999 and **Gorham** on

November 22, 1999. They yielded a cornucopia of fascinating stories, ideas and proposals about Maine grown food and products.

Artificial distinctions between farmers and entrepreneurs or farmers and business people quickly blurred as we heard growers and producers explain with great clarity how they developed product lines and approached marketing. People were encouraged to talk about their needs for assistance and their experience with agencies and programs providing services.

The findings and recommendations in this report reflect what we heard. The energy, enthusiasm and insight of farmers who shared their experiences with us are more difficult to capture on paper. We are attempting to "put a face" on Maine's farmers through quotes and examples. We hope you enjoy these glimpses of why we are excited about Maine agriculture.



"The future is diversified farm production, not single-line commodities."

John Rebar, University of Maine, Cooperative Extension

"Our 32 acres supports 3 families. But we couldn't do it on just fresh apples. We went to value added: cider, jams, jellies."

Judy Dimock – Somerset County, apple grower

"We add value to cut flowers by offering aromatherapy bouquets, delivered weekly, designed to your specifications for your home or business."

Bruce and Nancy Stedman – Little River Farm

"We went to a Maine bistro concept using almost all local food. We had our greatest summer ever."

Rick Hanson, Jonathan's Restaurant, Blue Hill

"We're marketing a fresh frozen blueberry in see-through packaging. We need careful rakers. The berries have to be perfect."

Sanford Kelly, Sunrise County Blueberry Co-op.

II. Findings and Recommendations:

What we learned/What needs to be done



Buy Farm

Buy Fresh

Buy Local

“We need to build a connection between eating locally and expanding agriculture” Sally Merrill, Sunrise Acres Farms, Cumberland

Findings:

- Over 85% of the food consumed in Maine is produced outside the State.² Maine is capable of producing a much higher percentage of its own food, reducing its dependence on imports and keeping dollars circulating in Maine’s economy.
- If each Maine citizen spent an additional \$20 per year on food products grown or produced in Maine, gross agricultural revenue would increase by \$20,000,000.³
- Restaurant chefs and other food buyers recognize the superior quality and freshness of locally grown food.
- The increase in consumption of certified organic food is, in part, attributable to consumers concerns about food safety and their desire to know more about their foods and choose foods based on production methods.
- It is the policy of the State to encourage consumption of locally grown foods. The State has a role in increasing people’s awareness of the benefits of agriculture and the potential impact of buying locally grown produce, fish and meat.⁴

Many fruits and vegetables lose up to 60% of their nutritional value and flavor within 48 hours after harvesting.

Over half of the trucks traveling the nations roads are carrying food. Food supplied locally has a much lower energy cost associated with transportation.

Sales of organic food products have increased by more than 20% per year each year since 1990.

We recommend that:

- The Department of Agriculture, Food and Rural Resources (referred to in this report as “the Department”) develop baseline research to determine the percent of food consumed in Maine that is produced within Maine and update this estimate every 2 years. We recommend that the Department complete the initial research and report its findings to the Joint Standing Committee on Agriculture, Conservation and Forestry by October 1, 2000.
- The legislature update the food policy for Maine and set a goal for increased consumption of locally produced food.⁵
- The legislature strengthen Maine’s institutional buying law and examine the provisions and implementation of the agricultural awareness program.⁶
- The Department publish a booklet intended for use by the general public that concisely presents elements of Maine’s food policy.
- The Department develop a policy for labeling food grown or produced in this state to provide consumers with information on origin of the product and production methods.



Marketing

Marketing

Marketing

“You can sell your product without ivory tower marketing. Pass along a story with your product. People are curious. In the midst of their busy days, people like to know that somewhere there are farmers living a quieter life, connected to the land.” Jim Cook, Crown of Maine Co-op, Grand Isle

“You have to work with your customers, but there’s not enough time to produce and market. Our co-op hires a marketing manager.” Paul Volckausen – Hancock County Organic Growers Co-op

Findings:

- Direct marketing of agricultural products increases income to the producers. Selling through farmers’ markets, farm stands, the Internet and catalogues adds an educational component to food purchasing. Information about the food offered for sale (e.g. recipes, cooking methods, origins) appeals to consumers and adds value.

- Collective marketing by groups of producers can provide the volume needed to access certain markets (e.g. the Boston wholesale market for organic potatoes, supermarket chains carrying consumer packs of premium frozen blueberries).
- Coordination of storage, transportation and distribution of agricultural products could help link farmers to buyers and decrease costs for producers.
- Examples of successful marketing strategies or the fruition of projects combining diverse elements often can be traced back to one person or organization acting as a catalyst for network development and communication.

Some catalysts we met:

- *Kate Dunham* apprenticed as a medicinal herbalist before moving to Phillips 5 years ago. Recognizing a need for networking, she began publishing the MAINE DIRECTORY OF HERBAL BUSINESSES, an indexed guide to 102 herb-related businesses. This directory helps growers find outlets and buyers find growers. In addition, the directory and the HERBAL NEWS also published by Kate help growers to connect with one another.
- The *Hancock County Planning Commission* began the “Promoting Locally Grown Foods” Project in 1995. This program encourages relationships between farmers and restaurants and direct marketing through farmers markets in Hancock County.
- Jo Josephson, of the *Mountain County Heritage Program*, a nonprofit organization rooted in Oxford, Franklin, Somerset and Piscataquis Counties, described the recent development of the Franklin Heritage Loop and the growing interest in heritage-based tourism. Capitalizing on the visual attraction of rural landscapes, visitors are encouraged to drive scenic routes and sample the wares of local producers.

- Product differentiation allows a seller to command a price above the commodity market price. For many farms adding value to their product is critical to their profitability and their survival.
- Increasing the number of USDA certified slaughterhouses could significantly expand the growth of the livestock industry in Maine. Their scarcity is seriously limiting the profitability of livestock operations.

“I love my pigs, but I don’t want to spend two days on the road with them.” Bob Bowen, Sunset Acres, Brookville (on shortage of slaughter houses)

- Access to an incubator kitchen, a commercial kitchen where specialty food product ideas can be tested out by beginning producers, can increase the production of value-added foods. Sharing facilities is a cost-effective way for producers to enter the specialty food market.
- Market potential exists with the large supermarket chains but produce managers at their local stores vary greatly in their willingness to buy from local fruit and vegetable producers.
- Improved communications between producers and buyers is needed to facilitate market exchange.
- Public/private partnerships have been successful in organizing networks of producers and developing marketing strategies.
- Creating Maine product identities and product identities within regions of the state is an effective marketing tool. Certain geographic areas within the state are becoming known for their regional cuisine, specialty products and the availability of locally grown food.
- Regional identity programs not only involve farmers but also other segments of the region's economy and have a broad base of support within the community.
- The Department's Marketing Plan: "Branding Maine Food and Agriculture -FY 2000" addresses several identified needs for improved communications. (Appendix C)

In the United States, the number of farmers' markets has increased by 58% between 1994 and 1998. In Maine the number of farmers' markets has mushroomed in the last 5 years with approximately 50 markets statewide.

The average farmer's share of each consumer dollar spent on food dropped from 40% to 10% during the last 75 years. Farmers who direct market their products significantly increase their share of the consumer dollar.

We recommend that:

- The Governor and Commissioner of Agriculture meet with buying executives from the major retail grocery stores operating in Maine to discuss supplying more locally produced foods to Maine consumers through major retail stores.
- The department encourage public-private partnerships to develop more direct marketing systems; e.g. identify public spaces for farmers markets.
- The department provide grants for marketing, promotion and signage for farmers markets, and help develop networks of chefs and farmers.

- The department in cooperation with the Maine Tourism Bureau develop a regional identity program based on food, culture and landscape to build upon Maine’s distinct regions and rural mystique.
- The department adopt criteria for use of a State logo by businesses selling Maine produced foods.

The department was directed to develop an implementation plan for a Maine meat inspection program. The recommendations will be submitted to the Committee on Agriculture, Conservation and Forestry in January of 2000.

- The department facilitate use of the Maine producers’ logo by local organizations and regional identity programs. This will build synergy between grassroots organizations and state-run promotional efforts.
- The department promote direct marketing to institutions; facilitating outreach by producers to buyers, providing producers with contacts for school food service programs, and organizing annual meetings with institutional buyers.

- The Department promote the establishment of more slaughterhouses with USDA inspection or an equivalent state inspection facilitating increased sales of locally raised meat.
- The Department support the development of commercial “incubator” kitchens to encourage value-added processing of farm products.
- The Department maximize utilization of the Maine State Building at the Eastern States Agricultural and Industrial Exposition to increase the facility’s effectiveness in promoting Maine agriculture.



RESOURCES

Grants

Loans

Research

Education

“We are not as connected as we need to be.”

Cruz Gomez, an herb grower in Phillips. Cruz and Nicholas Lindholm of Penobscot, a member of the Maine Seed Saving Network, emphasized both the potential for Maine producers to diversify and increase profitability and a concern that opportunities will be lost without more information, grants and research appropriate for small scale harvesting and processing. Support services are essential for growers to plug into new and expanding market.

Findings:

Business and Financial

- The Agricultural Marketing Loan Fund has been underutilized due to restrictions on eligibility. Criteria in rule have been interpreted to restrict funding to projects that incorporate new or innovative technology and methodology.
- Access to capital for start-up costs and traditional equipment is limited. Financial institutions rarely make business loans for the relatively small amounts often needed by small-scale farmers. Banks often have restrictions that prohibit loans for projects needing a delayed payment schedule due to the length of time to grow a harvestable product; e.g. cranberries.
- Competition is keen for grant dollars available through the USDA Rural Development Rural Business Enterprise Grant program, the Maine Agricultural Development Grant Fund and other grant programs. Funds requested in applications received greatly exceed the funding available.

The department received over 60 applications for grants from the Maine Agricultural Development Grant Fund for the solicitation period ending November 30, 1999. Funds requested total over \$1,125,000. The amount available for grants is \$150,000 with another \$100,000 available to fund a second round of solicitations before July 2000.

- Agriculture is one of the technology areas targeted for research and development funding through the newly created Maine Technology Institute. To compete successfully, agricultural proposals will need to be well developed and well written.
- Expertise in business planning is needed to access increased capital for agricultural projects.
- Agricultural producers are often not aware of assistance available through the Department of Economic and Community Development, the regional development districts and other agencies. A perception that agricultural businesses are not well understood or served by these agencies may also be a barrier.
- Many programs and agencies offer technical and financial assistance to Maine agricultural businesses. Programs exist at the federal, state, regional and local level. In addition, several innovative non-profit groups have organized to assist in strengthening rural economies. No one agency appears to be the repository of information on all programs and initiatives.

Research and Outreach

- Research needs of small-scale agriculture are not being adequately addressed. Examples include research on appropriate equipment for a variety of small-scale operations, variety and production research for diversified fruit and vegetable growers, and organic production research.
- There is a need for testing services to support developing products. The University of Maine is equipped to do testing. Expansion of the services and increased awareness of the services provided is needed. One example of this is the ability to test nutritional content of foods.
- Between 1989 and 1999, the number of agriculture specialists employed by the University of Maine Cooperative Extension dropped from 18 to 12. The number of county educators in extension with a primary focus on agriculture dropped from 15 to 12. Within Cooperative Extension gaps exist in expertise to support diverse commercial agriculture.

Eliot Coleman, an organic farmer in Harborside, has developed greenhouse technology to grow and harvest vegetables in the winter with minimal heating costs.

- Growing and offering fresh produce through Maine's winter months has the potential to significantly increase farm profitability. Many Maine farmers are interested in "farming the back of the calendar" but need technical assistance to include hoop houses or greenhouse methods in their operations.

Education and Training

- Training is needed to promote computer literacy and increase the use of computers on the farm for business management, information and marketing.
- There is no 2-year program in Maine offering an associate's degree in agriculture.

The University of Maine offers options for students seeking a 4-year degree program in agriculture. Southern Maine Technical College offers a 1-year and a 2-year program in Plant & Soil Technology preparing graduates for horticultural occupations.

- The University of Maine Cooperative Extension offers a variety of educational programs both at the state and county level.
- Opportunities for lifelong learning are important for people entering agriculture from a variety of backgrounds and for experienced farmers. Keeping current on agricultural practices, research and business management are key to maintaining a viable operation.

We recommend that:

- The eligibility criteria for the Agricultural Marketing Loan Fund allow loans of up to \$50,000 for beginning farmers, traditional equipment and other capital expenses and that \$1,000,000 be designated for loans to agricultural enterprises primarily engaged in direct marketing.
- The Legislature enact a Maine Farms for the Future Program, as proposed in LD 2086, to provide select farms with critically needed business planning assistance and business investment funding.
- We recommend enactment of LD 2086 with revisions to give preference to farms working in partnership with other farms, with in-state food processors, or engaged in direct marketing of farm products.
- We also recommend that LD 2086 be amended to acknowledge and provide support to individuals and organizations working as catalysts to stimulate innovative development among groups of farmers and between farmers, processors and buyers of agricultural products.

LD 2086, An Act to Preserve the State's Farm Economy and Heritage, proposes a Maine Farms for the Future Program modeled after the Massachusetts Farm Viability Enhancement program.

Massachusetts has had great success with its Farm Viability Enhancement Program, assisting over 80 farms and helping to keep over 12,000 acres in farming. The net annual income of participating farms has increased by an average of \$22,193.⁷

- The department take the lead in making information available regarding loan and grant programs and in coordinating projects and parallel efforts to optimize the benefits of those projects.
- The Board of Agriculture created in 1998 continue in its role as advisor to the University of Maine on the operation and management of the Maine Agricultural Experiment Station and the Cooperative Extension.
- The University implement the recommendations of the Board of Agriculture for increased staffing in extension and research to support Maine agriculture. The Board recommends an additional 5 full-time equivalent positions. Detail on the positions recommended are found in the board's report dated January 15, 2000 and entitled, Maine Agricultural Center Long – Range Plan. (Excerpt in Appendix D of this report)

- Researchers at our land grant university work with groups of farmers from each of Maine's ecological regions to develop particularly well-suited crop and production strategies for each area.
- A 2-year degree program in agriculture be offered through the University of Maine System or the Maine Technical College System.
- The departments of Agriculture and Education work together to increase the number of schools using the Food, Land & People curriculum and providing hands-on opportunities to learn about agriculture such as school gardens.
- The Department of Agriculture, Food and Rural Resources designate a position of small farm advocate to assure continuing progress in achieving the goals of the Task Force and to identify additional measures needed.

The Next Generation:



“There is a disconnect between generations. Maine needs to recover its small diversified crop and livestock farm. A working, cultivated landscape is part of our heritage.” Stephen Scharoun, Farmington Grange

Findings:

- Maine agriculture's ability to produce a stable or increasing supply of food into the future is to a great extent dependent on today's farmers finding replacements to continue working the land as they approach retirement.
- The Maine Agricultural Internship and Training Program mandated in statute placed approximately 20 interns per year between 1987 and 1991. With budget cuts in the early 1990's, funding within the department for a part-time coordinator of this program was lost and the program has not been active for several years.
- Residential development in areas traditionally used for agriculture can erode the agricultural land base and create conflicts between remaining farmers and neighbors
- Changes in Maine's Farm and Open Space Tax Law are needed to remove disincentives to keeping farmland in production and encourage enrollment in this program.
- In November of 1999, Maine citizens approved a \$50,000,000 bond issue to finance land acquisitions. The language authorizing the bond issue specifies that “up to 10% of the bond proceeds must be available to protect farmland.”

- An increased emphasis on agricultural education at the elementary and secondary school level is vital to having citizens who understand where food comes from and recognize the benefits of maintaining sustainable agriculture throughout the State. It also is key to having young people consider agriculture as a viable career.
- The Board of Directors for the Ag in the Classroom Program and the one agricultural education specialist within the Department of Education are doing a commendable job training teachers, adapting the Food, Land & People curriculum to Maine's Learning Results and encouraging use of this curriculum in Maine classrooms. (For information on agricultural education in Maine schools go to the Web at <http://janus.state.me.us/education/aged/>)

Recommendations:

- The Department reinstate an internship program and develop mentoring opportunities in cooperation with the Maine Organic Farmers and Gardeners Association and other organizations.
- The Task Force on State Office Building Location, Other State Growth-related Capital Investments and Patterns of Development, established under Resolve 1999, Chapter 72, has studied growth management and farm and open space tax policy. We understand that the following recommendations are included in their report and endorse these recommendations as important measures for Maine agriculture:
 1. Amend the Farmland Tax Law to reduce the withdrawal penalty to the minimum penalty required by the State Constitution.
 2. Provide state reimbursement to municipalities for tax revenues lost as a result of land enrolled in the Farm and Open Space Tax Program (90% reimbursement).
 3. Require the Department of Agriculture, Food and Rural Resources and the Bureau of Revenue Services to update the valuation guidelines for the valuation of farmland on a regional basis and to update the guidelines every 2 years.
 4. Eliminate the sales tax on electricity used in commercial agriculture.
 5. Enact a farmland adjacency disclosure law to reduce conflicts in rural areas that are becoming urbanized.
- The Land For Maine's Future Board use the full 10% of the bond proceeds authorized in 1999 (a minimum of \$5,000,000) to protect farmland.
- Statutory provisions be amended to allow Land For Maine's Future funds to be used for development of business plans and capital improvements to provide for continued use of land as a working farm.

III. Implementing the Recommendations of the Task Force on Agricultural Vitality

The recommendations in this report are, to a great extent, suggestions to existing agencies, most notably the Department of Agriculture, Food and Rural Resources. These suggestions are made in acknowledgement of the vital role the department plays in supporting Maine agriculture and with a strong belief that opportunities for growth in the agricultural sector of Maine's economy must be pursued to maintain and enhance our quality of life. We encourage readers of this report to communicate with the department, the university and other agencies mentioned, express support for recommendations you agree with and participate in further discussions of how we can work together to strengthen Maine agriculture.

The Task Force is proposing legislation to implement several of its recommendations. The specific recommendations proposed as legislation are:

1. To amend the statutory provisions for the Agricultural Marketing Loan Fund to allow funding for the development of business plans and funding for projects that do not meet the currently used criteria of "new and innovative."
2. To require the Commissioner of Agriculture, Food and Rural Resources to include an estimate of the percentage of food consumed in Maine that is produced in Maine in the biennial report submitted to the Legislature. The legislation also directs the Commissioner to convene a working group and proceed with several steps to assess Maine food consumption and promote institutional buying of Maine foods. The Commissioner is directed to report back to the Legislature by January 15, 2001 on this initiative.
3. To direct the Commissioner to prepare a strategy for increasing the number of farmers' markets in Maine and to identify sources of funding and provide technical assistance for expanding and improving farmers markets.
4. To allow proceeds from the Land For Maine's Future Fund to be used for developing a business plan for and capital improvements to farmland when interest in the farmland has been acquired through the Land For Maine's Future Program.
5. Authorizes the joint standing committee of the Legislature having jurisdiction over agricultural matters to report out a bill in the 1st Regular Session of the 120th Legislature to revise statutory provisions regarding agricultural internship and training, agricultural awareness, purchasing of food by state institutions and in-state marketing of food produced in Maine, including Title 7, chapters 8-A, 8-B, 8-D and Chapter 101, subchapters 1, 1-A, 2 and 2-B. The purpose of the revision is to eliminate archaic terms and confusing language, update cross-references, make other changes to revise existing language to accurately reflect the functions of the department and codify certain provisions of the Maine Food Policy Act.

Maine farmers are doing their part to provide healthy and delicious food for Maine. We hope you will return the favor by supporting our recommendations and every time you shop for food or eat out ask, "***Was this food grown in Maine?***"

Footnotes:

1. The Task Force on State Office Building Location, Other State Growth-related Capital Investments and Patterns of Development, established under Resolve 1999, Chapter 72.
2. Estimate calculated by the Department of Agriculture, Food and Rural Resources, 1994.
3. Department of Agriculture, Food and Rural Resources estimate, 1999.
4. Statutory provision for agricultural awareness program – Title 7, section 241
5. Resolve 1983, Chapter 51, Establishing a Food Policy for Maine.
6. Title 7, Chapter 8-A, §212 et seq.
7. Farm Viability Enhancement Program to Date Summary (including Round III farms) Massachusetts Department of Food and Agriculture.

APPENDIX A

Copy of Resolve 1999, Chapter 81

APPROVED

CHAPTER

JUN 17 '99

81

STATE OF MAINE

BY GOVERNOR

RESOLVES

—
IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-NINE
—

S.P. 393 - L.D. 1172

**Resolve, Establishing a Task Force to Study the Need for
an Agricultural Vitality Zone Program**

Emergency preamble. Whereas, Acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the vitality of agriculture is essential to this State; and

Whereas, the duties of the task force established by this resolve are important to maintaining and enhancing agriculture in the State; and

Whereas, the expeditious appointment of members and convening of the task force is important for a timely completion of its tasks; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

Sec. 1. Task force established. Resolved: That the Task Force to Study the Need for an Agricultural Vitality Zone Program, referred to in this resolve as the "task force," is established; and be it further

Sec. 2. Task force membership and invited participants. Resolved: That the task force consists of 9 members appointed as follows:

1. Four citizens with experience in agriculture or agricultural marketing, appointed by the President of the Senate and the Speaker of the House; and

2. Two members of the Senate, appointed by the President of the Senate, and 3 members of the House of Representatives, appointed by the Speaker of the House. Appointments of House members must include one member of the party holding the largest number of seats in the House and one member of the party holding the 2nd largest number of seats in the House.

The task force shall invite the participation of the Director of the State Planning Office or the director's designee; the Commissioner of Agriculture, Food and Rural Resources or the commissioner's designee; the Commissioner of Economic and Community Development or the commissioner's designee; and one representative each from the northern, southern, eastern and western Maine regional development districts; and be it further

Sec. 3. Chairs. Resolved: That the first named Senate member is the Senate chair of the task force and the first named House member is the House chair of the task force; and be it further

Sec. 4. Appointments; convening task force. Resolved: That all appointments must be made by July 16, 1999. The chairs shall call and convene the first meeting of the task force no later than July 30, 1999; and be it further

Sec. 5. Duties. Resolved: That the task force shall hold a minimum of 4 meetings, one in each of the 4 development districts; gather information; create working groups; and request necessary data from public and private entities in order to:

1. Establish a process to identify those areas of the State where there is substantial existing or evolving small-scale agricultural activity, an evolving network of support services and developed or developing regional or direct markets;

2. Target existing and potential state resources to promote agriculture and to create and support the development of agricultural vitality zones, including: farmland conservation and protection measures; job training programs, including beginning-farmer training programs; tax policy, tax credits and incentives; and grants and loans; and

3. Identify, examine and propose strategies or measures that will benefit and expand the State's small-scale agricultural enterprises, including, but not limited to, new and existing marketing programs, the identification of new products and services, possibilities for collaboration, the development of spin-off or value-added businesses and the enhancement of support services; and be it further

Sec. 6. Staff assistance. Resolved: That upon approval of the Legislative Council the Office of Policy and Legal Analysis shall provide staffing services to the task force. The Department of Agriculture, Food and Rural Resources and the State Planning Office shall also provide assistance as needed; and be it further

Sec. 7. Expenses. Resolved: That those members of the task force who are Legislators are entitled to receive the legislative per diem and reimbursement of necessary expenses for their attendance at authorized meetings of the task force. Other members of the task force who are not otherwise compensated by their employers or other entities whom they represent are entitled to receive reimbursement of necessary expenses incurred for their attendance at authorized meetings; and be it further

Sec. 8. Report. Resolved: That by December 1, 1999, the task force shall submit a report of its findings to the Joint Standing Committee on Agriculture, Conservation and Forestry along with any implementing legislation. The Joint Standing Committee on Agriculture, Conservation and Forestry may report out a bill during the Second Regular Session of the 119th Legislature concerning findings and recommendations of the task force. If the task force requires a limited extension of time to conclude its study and make its report, it may apply to the Legislative Council, which may grant the extension; and be it further

Sec. 9. Appropriation. Resolved: That the following funds are appropriated from the General Fund to carry out the purposes of this resolve.

1999-00

LEGISLATURE

**Task Force to Study the Need for an
Agricultural Vitality Zone Program**

Personal Services	\$1,100
All Other	2,000

Provides funds for the per diem and expenses of legislative members and the expenses of other eligible members of the Task Force to Study the Need for an Agricultural Vitality Zone Program and to print the required report.

LEGISLATURE
TOTAL

\$3,100

Emergency clause. In view of the emergency cited in the preamble, this resolve takes effect when approved.

APPENDIX B-1
Current Statutory Provisions

TITLE 7

CHAPTER 8-A PURCHASE OF FOODSTUFFS FROM MAINE CONCERNS

§212. Definitions

1. Brokers or wholesalers. "Brokers or wholesalers" means any person representing an enterprise, either for profit or nonprofit, whose objective is to purchase or collect available supplies of food from Maine food producers for subsequent distribution to state institutions, school districts and other food businesses.

2. Maine food producer. "Maine food producer" means any person who is a resident farmer or fisherman, or an association of farmers or fishermen in a cooperative or producer group.

3. State or school purchaser. "State or school purchaser" means any person who purchases foodstuffs for any state institution or agency, the technical colleges or the school districts of this State.

§213. Implementation of state policy to purchase foodstuffs from Maine concerns

Notwithstanding any other provision of law and assuming reasonable similarity in quality, quantity and availability with other foodstuffs offered for sale, state or school purchasers shall buy meat, fish, dairy products, excluding milk and eggs, and species of fruits and fresh vegetables, directly from Maine food producers or from food brokers who assist in the distribution of foodstuffs produced or harvested by Maine food producers. In the event that more than one producer, broker or wholesaler can supply a given foodstuff, the institutional or school purchaser may require competitive bidding.

1. Amounts to be expended by institutional facilities. The total amount that must be expended by any institutional facility in Maine in any fiscal year pursuant to this section shall not exceed an amount equal to 30¢ multiplied by 365, multiplied by the average number of persons served in that institutional facility's feeding program during the preceding fiscal year, provided foodstuffs produced by Maine food producers is available in adequate supply and meets quality standards, and is priced competitively. If the state purchaser can reduce his meal costs as a result of purchasing foodstuffs from Maine food producers, then savings realized will revert back to the institution's food service account, and those savings may be used to improve the facility's food service department, including the acquisition of necessary equipment and the hiring of food service personnel. The state purchaser shall seek the approval of the administrator in charge of his facility before using savings for improvements.

2. Amounts to be expended by a school district. The amount that may be expended by a school district in any fiscal year pursuant to this section shall not exceed an amount equal to 7¢ multiplied by the total number of days in the school year multiplied by the total enrollment of that school district participating in the school meal programs, provided foodstuffs produced by Maine food producers is available in adequate quantity, in acceptable quality and is priced competitively. Savings in unit meal costs, as a result of buying foodstuffs from Maine food producers, may remain in the school district's food service account and be used for the same purposes specified in subsection 1 with the approval of the superintendent. The school purchaser will seek the approval of the superintendent before using savings in the food service account for improvements.

§214. Coordination of purchases of foodstuffs from Maine concerns

1. Coordinator; position established. There is established in the Bureau of Purchases the position of coordinator who shall be responsible to assist in the development of connections between state and school purchasers, Maine food producers and brokers and wholesalers of food.

2. Annual meeting. The State Purchasing Agent or his designee shall cause to be held an annual meeting which brings together producers, wholesalers, buyers and food service professionals to enhance opportunities for cooperation and expand the purchase of local foodstuffs by state institutions and public schools.

3. Advisory committee. The State Purchasing Agent or a designee shall establish an advisory committee to discuss possibilities and review proposals for expanding purchases of local foodstuffs. At least one representative from the following state agencies shall be invited to serve on this advisory committee: The Department of Agriculture, Food and Rural Resources; the Department of Corrections; the Department of Education; the Department of Human Services; the Department of Marine Resources; and the Bureau of Child and Family Services. Representation from other state agencies, local institutions or from the private sector shall be chosen by the State Purchasing Agent who shall serve as chairman of the advisory committee.

§215. Standards

1. Quality standards to be established. Quality standards for meat, fish, dairy products, excluding milk and eggs, and species of fresh fruits and vegetables shall be established in writing and copies of these standards shall be made available to all Maine food producers and brokers and wholesalers who are interested in selling food to institutions and schools in Maine.

2. Coordination of development of quality standards. The Bureau of Purchases will coordinate the development of quality standards with state institutions and the Department of Education. The coordinator will collaborate with the State Purchasing Agent in assisting state and school purchasers in formulating consistent, although not necessarily uniform, quality standards. In the event there are differences of opinion about the quality of foodstuffs supplied institutions or schools, final authority for resolution rests with the State Purchasing Agent.

3. Certification of food of Maine origin. Food brokers and wholesalers or any person who sells directly to the state institutions and schools of Maine shall certify to purchasing agents that shipments of food intended to be of Maine origin are produced or harvested by Maine food producers.

4. Split shipments of food. In the event that foodstuffs of Maine origin are not available in sufficient quantities to meet demand, food brokers and wholesalers or any person selling directly to the state institutions or schools may supply split shipments of food, mixing food items of Maine origin with the same food items from outside Maine, provided the consolidated order is of comparable quality and the broker specifies the percentage of the mixed shipment that is of Maine origin.

CHAPTER 8-B AGRICULTURAL INTERNSHIP AND TRAINING

§222. Responsibilities of the commissioner

The commissioner shall:

1. Information. Conduct studies and otherwise gather, maintain and disseminate information concerning farmland transfers, availability of farm labor, existence of farm internship and training programs, persons desiring to participate in that training, farmers retiring or otherwise ceasing farming operations, persons desiring to enter farming or associated employment and all other information deemed necessary to carry out this chapter;

2. Training. Provide and supervise opportunities for on-farm and off-farm training, through state-sponsored programs or in cooperation with other appropriate agencies and organizations. Training may include on-site experience under the guidance of approved farmer-supervisors or classroom instruction in farm management, finance, equipment use and maintenance, production and marketing principles and techniques and other relevant subjects;

3. Assistance. Provide assistance in matching retiring farmers with persons desiring to enter farming and recruit and place interns with farmer-supervisors; and

4. Cooperation. Cooperate with appropriate local, state and federal agencies and institutions and with farm organizations and interested individuals, including the Department of Education, the Department of Labor, the University of Maine and the Cooperative Extension Service, in carrying out this chapter.

**CHAPTER 8-D
AGRICULTURAL AWARENESS**

§241. Awareness program

The Commissioner of Agriculture, Food and Rural Resources shall:

1. Public awareness. Produce audio-visual materials, facilitate public service programming, prepare written materials, organize a speakers' bureau and otherwise educate the public. The commissioner, in carrying out these duties, shall address the following needs: maintaining a lasting and sustainable agriculture; protecting our critical rural infrastructures; guaranteeing continued and effective production and marketing of fresh fruits, vegetables and livestock; preserving prime farmland; conserving our soils and water; and generally ensuring the quality of life in rural Maine.

2. Agricultural literacy. Cooperate with the Department of Education to develop instructional materials, train teachers and teacher trainers and otherwise complete actions for utilizing agriculture as an exciting medium for educating students both about society and the natural world, while increasing their literacy by infusing basic agricultural concepts such as agriculture and economics, the dynamics of world hunger, agriculture and history within present subjects taught in Maine schools.

3. Cooperation. Cooperate with appropriate local, state, and federal agencies and institutions, educational and farm organizations and interested individuals, including the Maine Ag in the Classroom Association, the Department of Education and the Cooperative Extension Service in carrying out this chapter.

**MARKETING, GRADING AND LABELING
CHAPTER 101
GENERAL PROVISIONS
SUBCHAPTER I
MARKETING AND ADVERTISING FARM PRODUCTS**

§401. Methods and costs

The commissioner is authorized and directed, through such agents as he may appoint for the purpose and in cooperation with such agricultural corporations or associations as he may deem proper, to investigate the existing methods and costs of marketing farm products and purchasing farm supplies and to secure improvement therein.

§401-A. Legislative findings

The Legislature finds that the marketing of agricultural commodities produced in the State is crucial to the maintenance and expansion of the agricultural industry, to the preservation of rural life in the State and to the economic well-being of all of the state's people. The Legislature further finds that over the years, marketing issues have been inadequately addressed and some of the major agricultural commodities of the State have lost substantial market shares to competitors. In addition, there is a lack of pertinent market information to assist in the development of new commodities to maximize their contribution to the state's agricultural economy. There exists a need for a comprehensive marketing program applicable to all agricultural products. Such a program will provide the necessary market information to enable Maine farmers to make wise short-term and long-term production decisions; establish standards for proper storage, packing and grading; and create adequate enforceable programs for quality assurance as well as for the effective coordination of promotion and advertising efforts. In order to ensure that these responsibilities are fulfilled, the Legislature finds it necessary to provide state assistance to agricultural marketing.

§401-B. Responsibilities of the commissioner

To further the purposes of this Part, the commissioner shall initiate and implement programs necessary to facilitate the effective, profitable marketing of Maine agricultural products. These programs shall include, but not be limited to the following.

1. Research. The commissioner, in conjunction with the Maine Agricultural Experiment Station and the Cooperative Extension Service, shall conduct, assist and foster research to improve the marketing, handling, storage, processing, transportation and distribution of agricultural products in order to develop new and wider markets and reduce distribution costs.

2. Information to producers. The commissioner, in conjunction with the Maine Agricultural Experiment Station and the Cooperative Extension Service and other public or private agencies, shall provide producers information regarding current market conditions and such other information as may be needed to maintain quality control and promote quality improvement for Maine agricultural products.

3. Information to consumers. The commissioner, in conjunction with the Cooperative Extension Service, shall provide for the dissemination of information to consumers about Maine agricultural products.

4. Organization. The commissioner shall aid Maine producers and consumers by assisting cooperative societies of buyers and sellers, encouraging direct marketing and by facilitating the efficient distribution of farm products.

5. Coordination and assistance. The commissioner shall consult with, coordinate and assist producer and dealer organizations and other groups interested in the production, processing and packing, grading, promotion and sale of agricultural goods.

§402. Advertising of products

The commissioner may enter into agreements or cooperative arrangements with any person, firm or corporation for the purpose of advertising and increasing the sale and consumption of Maine farm products or disseminating information concerning Maine farm products. He may receive, administer and disburse any funds or contributions from these persons, firms or corporations, either independently or in conjunction with state funds allocated to the purpose, provided that funds so contributed shall be used only for the purposes set forth. He may employ such agents and assistants, subject to the Civil Service Law, and make such purchases as may be necessary in the proper performance of his duties.

§402-A. Agriculture promotion

1. Agriculture Promotion Committee.

2. Fund. There is created a nonlapsing Agriculture Promotion Fund. The commissioner is authorized to accept moneys for this fund from any public or private source and to credit to this fund any moneys received from the sale of agricultural promotional materials.

3. Duties of the committee.

4. Rule-making authority. The commissioner may adopt such rules as he considers necessary to achieve the purposes of this chapter including, but not limited to, rules requiring registration of persons wishing to identify products as Maine products under a logo or trademark adopted by the department and requiring verification of the origin of those products.

§403. State of Maine Building at Eastern States Exposition

1. State of Maine Building. The department shall operate and maintain the the State of Maine Building, previously erected upon the Eastern States Agricultural and Industrial Exposition, Inc., at West Springfield, Massschusetts, for the purpose of exhibiting, publicizing and advertising Maine's products and resources in agriculture, industry, fisheries, forests, wildlife and recreation. Except as otherwise provided in this section, the department shall have complete control and supervision of all exhibits held in these buildings.

2. Advice. From time to time, the department shall consult regarding operation and maintenance of the building with, and for any major exhibition shall prior to the exhibition develop a plan after a public hearing and obtain advice on the proposed use of building space

from, the following persons: The Commissioner of Marine Resources; Commissioner of Inland Fisheries and Wildlife; Commissioner of Conservation; and Commissioner of Economic and Community Development.

DIRECT MARKETING OF AGRICULTURAL COMMODITIES

§411. Definitions

As used in this subchapter, the following terms shall have the following meanings.

1. Commissioner. "Commissioner" means the Commissioner of Agriculture, Food and Rural Resources.

2. Direct-marketing. "Direct-marketing" means the marketing of agricultural commodities by farmers directly to consumers.

§412. Research and preparation of information

The commissioner shall research and prepare information designed to develop and promote direct-marketing. The commissioner shall consult with the farm community, the faculty of the College of Agriculture of the University of Maine System, and with the various county extension agents in compiling information under this section. The information shall include, but not be limited to, the following:

1. Description and evaluation. A description and evaluation of the various methods of direct-marketing, such as farmers' markets, roadside stands and sales to consumer cooperative;

2. Practical information. Prepare practical information concerning the establishment and operation of various methods of direct-marketing, including promotion, advertisement, management, food stamp purchases and liability insurance;

3. Survey. A survey, by county, of the present demand for agricultural commodities to enable farmers to plan future production in closer accord with marketing demands;

4. Feasibility study. A study of the feasibility of direct-marketing to institutions, such as hospitals and schools; and

5. List of farmers. A list of the names and addresses of all Maine farmers and of the agricultural commodities which each produces.

§413. Distribution

The commissioner shall develop suitable means to distribute information compiled under section 412 to all Maine farmers. If the commissioner considers the cost of distributing any research or instructional publication prohibitive, he shall, by whatever means appropriate, notify farmers of the availability of the information. Distribution may be accomplished by means currently within the Department of Agriculture, Food and Rural Resources.

§414. Assistance

The commissioner shall assist and advise individual farmers or groups of farmers in their efforts to market more effectively directly to consumers by;

1. Soliciting participation. Informing farmers of, and soliciting their participation in, any proposed method of direct-marketing;

2. Technical assistance. Providing technical assistance in such areas as lease and contract negotiation; and

3. Referral. Referring farmers to other appropriate sources of assistance, such as the University of Maine System, College of Agriculture, the county extension offices and the United States Department of Agriculture.

§415. Farmers' market

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Farmers' market" means a building, structure or place used by 2 or more farmers for the direct sale of farm and food products to consumers, at which all sellers meet the requirements of subsection 2, paragraph B.

B. "Farm and food products" means any agricultural, horticultural, forest or other product of the soil or water, including, but not limited to, fruits, vegetables, eggs, dairy products, meat and meat products, poultry and poultry products, fish and fish products, grain and grain products, honey, nuts, maple products, apple cider, fruit juice, wine, ornamental or vegetable plants, nursery products, firewood and Christmas trees.

2. Prohibitions. The following acts are prohibited.

A. A person may not use the term "farmers' market" to describe a market or other sales location that does not meet the terms of the definition set forth in subsection 1.

B. A person may not sell farm and food products at a market labeled "farmers' market" unless at least 75% of the product offered by that person was grown or processed by that person or under that person's direction. A product not grown or processed by that person must have been purchased directly from another farmer.

3. Penalty. A person who violates this section commits a civil violation for which a forfeiture of not less than \$100 nor more than \$200 may be adjudged.

4. Relationship to farmers' market rules. This section does not prohibit a market from imposing more stringent requirements on its sellers than those imposed by subsection 2, paragraph B.

SUBCHAPTER II GRADES AND STANDARDS FOR FARM PRODUCTS

§443-A. Native produce

1. Prohibition. Farm produce sold or offered for sale within the State may not be labeled or advertised as "native," "native-grown," "locally grown" or by a similar designation, unless that product was actually grown in the State.

2. Penalty. Violation of subsection 1 is a civil violation punishable by a fine of not less than \$200 nor more than \$300.

3. Burden of proof. The burden of proof concerning the origin of farm produce is on the seller. The burden may be met by written documentation showing the origin of farm produce.

4. Enforcement. This section is enforced by the Department of Agriculture, Food and Rural Resources.

§443-B. Certification trademark for Maine products

1. Registration of trademark. The Commissioner of Agriculture, Food and Rural Resources shall, before December 31, 1988, apply to the United States Patent and Trademark Office for registration for a certification trademark or trademarks consisting of a seal in the form of the outline of the State, the word "Maine" and any other appropriate identifying words. Any certification trademark obtained may only be used on farm products or other natural resource products and commodities, as provided in section 443, produced within the State. Any

certification trademark obtained may be registered with the State in accordance with Title 10, chapter 301-A.

2. Origin of product. For purposes of this section, the commissioner shall define, by rule, for each commodity group, the meaning of the term "produced within the State" and the minimum percent of the content of any package that must have actually been produced within the State to meet the requirements for use of any mark under this section.

The commissioner shall grant a waiver to the minimum content criteria when emergency market conditions arise which are abnormal to the historic flow of a specific commodity, with the degree of the waiver to be determined by the commissioner. The commissioner shall determine what constitutes an emergency condition.

3. Quality grades and standards. Any product bearing a certification trademark obtained under this section shall meet the official grades and standards established in accordance with section 443 for that commodity.

4. Promotion. The commissioner shall contract for services to promote the use of the proposed state trademark.

SUBCHAPTER II-B STATE-GROWN PRODUCE PROGRAM

§471. Farmers' Market Program

The department, in cooperation with the Commissioner of Human Services or the commissioner's designee, shall adopt rules to institute and administer a program to promote the purchase of state-grown and processed food products at local farmers' markets and farmstands by nutritionally at-risk groups.

APPENDIX B-2

**Resolves 1983, Chapter 51, Resolve Establishing a Food Policy for
Maine Legislature**

CHAPTER 51

H.P. 1541 - L.D. 2028

RESOLVE, Establishing a Food Policy
for Maine.

Emergency preamble. Whereas, Acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, it is in the best interest of the State to ensure the availability of an adequate supply of wholesome and nutritious food to its citizens; and

Whereas, the State is currently dependent on imported food to supply over 70% of its food needs; and

Whereas, the encouragement of increased production of food in Maine would be beneficial in decreasing

ing our reliance on out-of-state food sources, while enhancing rural economic development and contributing positively to Maine's rural quality of life; and

Whereas, the State supports a broad range of programs which affect the production and distribution of food; and

Whereas, a food policy for Maine would provide the framework to ensure that state programs are conducted so as to optimize their effectiveness and ensure their consistency with state policy objectives; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine, and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore, be it

General policy. Resolved: That it is in the best interest of the State to support a food supply system that:

1. Contributes positively to the nutritional, economic and social well-being of its citizenry and its rural communities;
2. Enhances the availability, affordability and quality of food for its citizens;
3. Is economically efficient and environmentally appropriate; and
4. Is sustained by a structure that promotes a fair return to all participants, provides entrepreneurial freedom and allows access to opportunity to participate in the food supply system; and be it further

Rural communities. Resolved: That the State shall:

1. Encourage and develop an agricultural and food industry that will contribute to appropriate economic growth and community vitality in the State and particularly in its rural communities; and
2. Encourage production, processing and marketing systems that are accessible and affordable to the state's dispersed rural population; and be it further

Consumers. Resolved: That the State shall:

1. Ensure that all Maine citizens have the opportunity to avail themselves of a nutritious and balanced diet;
2. Encourage local and regional food production to the extent that it can efficiently supply nutritious and affordable food in order to enhance the availability and choice of food to its citizens;
3. Provide for an adequate understanding of proper nutrition by its citizens and ensure access to information about the nutritional content of foods in order to promote food choices that are healthful and that reduce the risk of disease caused by improper diet;
4. Encourage the growth and development of consumer food cooperatives in order to provide a range of choices for an affordable food supply; and
5. Ensure an adequate system of food quality and safety control in order to protect citizens from poor quality, unwholesome or contaminated food; and be it further

Production. Resolved: That the State shall:

1. Encourage the production of commodities that are suited to the state's natural and human resources, that can be produced competitively in the State, that exhibit marketing potential due to expanding consumption trends or competitive displacement of imported supplies, and that offer the best rate of return to the producer;
2. Encourage cost-effective production practices, including the use of appropriate technology, conservation of energy resources, recycling of waste products, increased use of integrated pest management and the use of crop varieties and livestock breeds that produce a quality product, offer disease resistance and produce high yields under this state's conditions;
3. Encourage the awareness and use of production and processing practices that minimize exposure to health risks and accidental injury;
4. Ensure the adoption of production practices that conserve soil and water resources and protect the environment. To the extent that soil and water conservation practices needed for the long-term main-

tenance of the soil resource are not cost-effective for producers in the short-run, support state and federal financial assistance for these measures;

5. Encourage the substitution of Maine produced production inputs, including seed, feed, fertilizer, equipment and services for imported inputs to the extent that this substitution is cost competitive, provides greater stability in production costs and contributes to the viability of the state's agricultural sector;

6. Encourage the diversification of Maine agriculture, to the extent that it contributes positively to Maine's agricultural economy, provides stability in farm income, promotes better soil management and more efficient use of local resources and provides Maine consumers with a greater variety of locally produced food;

7. Assist in the development of an efficient service and supply infrastructure that promotes use of local resources to the extent that they are competitive, that minimizes costs to producers, that maintains an appropriately diverse agriculture, that meets the needs of both small scale and large commercial farm operations and that supports the state economy; and

8. Ensure that Maine producers have access to appropriate business and management training to enhance their ability to compete and to ensure the most efficient use of labor, capital, technological and other resources required for production; and be it further

Marketing. Resolved: That the State shall:

1. Support the development of market structures that:

A. Can efficiently and consistently provide supplies of agricultural products which meet the specifications demanded by wholesalers, retailers and consumers in terms of quality, quantity and packaging;

B. Provide a fair price to the producers and reasonable prices to consumers;

C. Provide organized and coordinated marketing including the development of producer cooperatives and collective bargaining, in order to facilitate entry of small scale producers into

wholesale markets and to strengthen the bargaining position of producers, to the extent that marketing opportunities and returns to producers as a whole are enhanced by these structures; and

D. Maximize marketing options through proper storage, appropriate agricultural and fish processing facilities, efficient and innovative methods of transportation and other means;

2. Facilitate access to marketing opportunities by ensuring that producers have access to appropriate training and assistance programs to develop marketing skills;

3. Promote informed marketing decisions by ensuring the availability of adequate and timely market information to producers and other market participants; and

4. Support an efficient transportation system in order to minimize transportation costs in the distribution of food products from producer to consumer; and be it further

Finance. Resolved: That the State shall:

1. Ensure the availability, accessibility and affordability of equity and long-term credit to agricultural and fisheries enterprises that will contribute positively to the state's agricultural and fisheries economies, that contribute to the development of commodities which meet the criteria defined by this Act and that possess the skills necessary to conduct a sound business operation;

2. To the extent that entrant farmers face particular constraints in obtaining appropriate financing due to the high capital costs of establishing a farm operation, establish incentives or subsidies that would provide reduced interest and encourage or establish special terms or other means that will allow credit-worthy new farmers to enter farming; and

3. Encourage commercial banking and credit institutions to offer financing to credit-worthy food production and processing enterprises in order to reduce the state's dependence on federal sources of credit in this area; and be it further

Farmland. Resolved: That the State shall:

1. Ensure an adequate and affordable supply of productive agricultural land to meet the needs of existing and future agricultural operations;

2. Protect agricultural lands, including lands currently used for food production and lands especially suited to food production, from conversion to development to the extent that such lands are so located and in such concentration as to form a critical mass capable of supporting the supply and market structures needed for a viable agricultural economy;

3. Protect agricultural operations from constraints on necessary agricultural practices due to encroachment of incompatible land uses into farming areas; and

4. Enhance the economic viability of agricultural operations in order to arrest the abandonment of productive agricultural land and its subsequent reversion to forested land or development; and be it further

Research and education. Resolved: That the State shall:

1. Provide the research and development capabilities needed to:

A. Keep abreast of the latest basic and applied research developed by the research community at large which has a bearing on the state's food production capabilities and potential;

B. Assess the nutritional status and needs of Maine citizens;

C. Develop new varieties of crops and breeds of livestock suited to Maine's climate and soils;

D. Ensure the future abundance of Maine's commercial fisheries;

E. Develop new production techniques and technologies which enhance the yields and quality of Maine produced food;

F. Develop new processing and storage techniques and technologies which are needed to keep Maine's food industry competitive and capable of responding to new market opportunities; and

G. Assess emerging trends in consumer preferences, marketing structures and market competition in order to maintain and enhance the marketability of Maine's commodities and to identify and respond to new marketing opportunities; and

2. Provide the educational outreach needed to implement new techniques and technologies developed to assist in the production, processing and marketing of Maine produced food; and be it further

Structure. Resolved: That the State shall:

1. Support and encourage owner-operated family and part-time farms to the extent that this provides efficiency in production, maintains entrepreneurial freedom, contributes to a healthy and competitive agricultural economy, enhances local economic growth and contributes to the social and political vitality of the State and its rural areas;

2. Ensure that the structure of the food industry provides an appropriate distribution of returns resulting in a fair price to the various participants, from producer to consumer, in order to maintain competition and stability within the system; and

3. Ensure that the structure of the food industry facilitates entry of new participants in order to foster competition, innovation and efficiency.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

Effective March 22, 1984.

APPENDIX C

**Branding Maine Food and Agriculture, Department of Agriculture,
Food and Rural Resources, Market and Production Development
Division, New Funds Work Plan: FY 2000**

**Department of Agriculture, Food & Rural Resources
Market and Production Development Division
New Funds Work Plan: FY 2000**

**Branding Maine
Food And Agriculture**

Buy Maine Food ... It's Good For Everyone!

PROGRAMS AND SERVICES

Market Development and Promotion of Maine Products - Develop, implement and execute programs linking Maine agribusiness directly to consumers and to wholesale buyers. Promote all sectors (farm gate and value added processing) of Maine agribusiness locally, domestically, and internationally through partnerships with Maine businesses, trade associations, organizations, state and federal agencies.

New Crop and Livestock Development - Work cooperatively with producers to improve the profitable production of existing commodities, and research and demonstrate the feasibility of new crop and livestock opportunities.

Planning and Advocacy - Assist agricultural associations in long-range planning and short-range problem-solving on regulatory and other issues that impact their member businesses.

Education and Information - Maintain and provide information about and for Maine agricultural producers in support of business development and promotional activities. Develop and coordinate educational forums and training opportunities for Maine agricultural producers.

Public Awareness and Special Events - Inform the public about the value and role of agriculture in society - the Maine Agricultural Trades Show, Eastern States Exposition, Open Farm Day and Ag Day at the Legislature and other events are coordinated in this office.

Agricultural Fairs - Serve as an information resource and provide assistance in all aspects of fair operations, administer the stipend fund and fair evaluation program, and assist the fairs in developing and expanding their agricultural programs.

International Trade - Develop and coordinate opportunities for Maine agricultural companies to take advantage of emerging international market opportunities. Serve as liaison between Maine agricultural businesses and the United States Department of Agriculture's Foreign Agricultural Service funding, services and programs. Serve as the 1st point of contact for international agriculturally related inquiries.

Agri-Tourism - Facilitate collaborations and links among agricultural businesses (farms and food processors), tourists and the tourism industry.

Agricultural Marketing Loan Fund (AMLF) - Administer loan program and provide technical assistance to eligible agricultural businesses regarding their loan applications. Loans are available for improving commodity storage buildings and packing and marketing facilities; or for the construction, renovation or acquisition of land, buildings, equipment, etc. used in connection with a commercial agricultural enterprise. In addition, interest on loan repayments and unused bond funds may be used to provide grants relative to market research, technical assistance and technical transfer and promotion of Maine Food and Farms (see Agricultural Development Grants). (10 MRSA § 1023-J)

Agricultural Development Grant Program - Promote and administer the competitive matching grant program which encourages innovative efforts by farmers, aquaculturists and food processors to expand their markets, promote their products and test new innovative equipment and processes. (7 M.R.S.A., Chapter 10 §306A - 309)

Potato Marketing Improvement Fund - Administer and provide technical assistance regarding design and retrofitting of potato storage and packing facilities. Funding for this technical assistance and loan program to assist with the financing of approved projects is through a 1981 bond issue. This is a revolving loan program, with the repaid principal and interest available to finance new loans. In addition, cash balances can be used to fund research on potato storage and handling. (5 MRSA Chp. 103 § 971-975)

MISSION

To enhance the profitability, sustainability, growth and awareness of Maine agribusiness.

VISION

Maine food and agricultural products will:

- be recognized for the values the State stands for... wholesomeness, natural goodness and quality of life.
- be available to everyone in Maine at conveniently located markets and restaurants.
- establish and gain market share nationally and internationally.

Working Maine farms will be recognized as assets to our communities; providing scenic open space, good jobs, and preserving a valued and healthy way of life.

GOAL

Increase Maine's agricultural income by \$20 million per year by the year 2005.

- Each Maine citizen spending an additional \$20 per year on food products grown and/or produced in Maine would equate to a \$20 million increase in gross agricultural revenue.
- \$20 million in additional sales would provide 2,000 individual Maine farm families and food producers with an increase of \$10,000 in gross income.

I. MARKET AND BUSINESS INFORMATION

A. Communication

1. Market Information System

Objective: Research, analyze and organize available sources of market information for producers and buyers. Develop methods (including, but not limited to a searchable online database) and provide access to the market information by producers, buyers and agricultural support organizations. The system will include pathways to: Maine agricultural businesses and products, business assistance and financing resources, progressive marketing initiatives inventory and referrals, timely market opportunity news, opportunities for interactive communication, easy access to regulations and rules related to marketing Maine agricultural products and more.

Strategic Value: Enable producers and buyers to access information needed for successful market exchanges and business development.

Timeline: January- Summer, 2000 - Ongoing

New Funds: \$20,000 (Plus \$40,000 FSMIP Grant)

Partners: Producers, buyers (wholesale/retail), USDA, State agricultural support organizations and agencies (e.g. Cooperative Extension, MOFGA, Regional Development Associations, SBDC, DECD).

2. Collaborations with Commodity Associations and other Development Organizations

Objective: Strengthen links and enhance market development collaborations with regional and statewide organizations by partnering on projects and strategic planning initiatives.

Strategic Value: Increase effectiveness of everyone's marketing activities by leveraging resources and reducing redundancy.

Timeline: Ongoing

New Funds: \$5,500

Partners: Statewide and Regional Agriculture and Business Development Organizations and Associations such as AGCOM, Commodity Marketing Groups, Tourism Office, Business Development Office, RC&D's, MOFGA, SBDC's, New England Departments of Agriculture etc.

B. Infrastructure:

1. Promotional Database Development

Objective: Improve design and functionality of promotional database, including updating and expansion of producer information.

Strategic Value: Increase efficiency of data maintenance, accuracy and inclusiveness of producer data, and usability/flexibility of report production for development and promotional activities.

Timeline: Ongoing

New Funds: \$5,000

Partners: Producers, contractor.

II. OPPORTUNITY RESEARCH, DEVELOPMENT AND EDUCATION

A. Conduct and Evaluate Feasibility Studies:

1. Grain Storage for Organic Producers

Objective: To establish grain and/or on-farm storages in Northern and Central Maine for organic dairy producers.

Strategic Value: Project will help dairies reduce production costs and assure timely supplies of organic grains thereby maintaining markets in organic milk.

Timeline: Report on profitability by 7/99, group discussions 8/99, business startup 6/2000, storage facilities up and running by 1/2001.

New Funds: \$450

Partners: University of Maine, Cooperative Extension, Coastal Enterprises

2. Livestock Slaughter/Processing Facilities

Objective: To establish livestock slaughter and processing facilities in strategic locations in Maine to reduce producer costs and improve marketing of finish beef and other meat products, once the Division of Regulations completes its report 1/99.

Strategic Value : Project will help the beef, sheep, and hog operators to keep production costs low, and to increase market share of value-added cuts to the consumer in Maine.

Timeline: Assist operations wishing to expand or establish 1/2000 - 12/2000.

New Funds: \$600

Partners: Division of Regulations, USDA Meat Inspection Service, FDA, Beef Producers, Individual Slaughter Facilities.

3. Cranberry Development

Objective: To maximize market price for existing farms and to assist new startup operations with technical assistance.

Strategic Value : Project will help the cranberry growers maximize income from evaluation of alternative market options and help increase the amount of production in the State.

Timeline: Market Order Evaluation 7/99-11/99, Evaluation of Market Options for 2000 - Ongoing. Technical Assistance for new startups - Ongoing.

New Funds: \$850

Partners: University of Maine, Cooperative Extension, Maine Cranberry Growers Association.

4. Governor's Irrigation Plan

Objective: To increase irrigation in Maine.

Strategic Value: Project will reduce risk of growing crops and enhance profitability of crops through increased quality, quantity and consistency of product.

Timeline: Plan submitted 1/2000, implementation 1/2000 - 2/2002.

New Funds: \$500

Partners: AGCOM, Governor's Office

5. Workplace - Farmer Project

Objective: Facilitate pilot projects to test feasibility of bringing Maine agricultural products to workplaces for the benefit of workers and farmers. Assess strengths and weaknesses of pilot projects and develop recommendations for success of future such activities.

Strategic Value: Identify and encourage new and effective opportunities for direct marketing of Maine agricultural products. Increase convenient access to Maine products by Maine people.

Timeline: Pilot projects: Summer 1999. Evaluation and Summary: Fall, Winter 2000

New Funds: \$200

Partners: Pilot project work sites and farmers, 5 A Day for Better Health, Cooperative Extension, N. Ross.

B. Market Research:

1. Assessment of Market Opportunities

Objective: Analysis of direct markets and wholesale channels (e.g. Farmers' Markets, Ag-Tourism, CSA Farming, Grocery business, maple industry) relative to current activity, market potential, production capacity/limitations and profitability.

Strategic Value: Assist in directing efforts of new and existing farmers and food processors to market channels offering greatest expectation of profitability and success and, to help direct statewide promotional efforts to areas of greatest opportunity and need.

Timeline: Summer, 2000 - Ongoing.

New Funds: \$22,000

Partners: Producers, Consumers, Wholesale buyers, Researcher(s), Agricultural commodity and other support organizations.

C. Education and Business Assistance

1. Business Planning Assistance

Objective: To improve farm business planning in order to increase markets and access to markets. Secondary objective is to assist in obtaining low cost capital for improvements to business.

Strategic Value : Project will help the farm businesses put better business plans together that will help them identify markets better and perhaps improve the marketing of their products, or find new products to market.

Timeline: FastTrac is the program that will be supported. Their timeline for marketing the program and putting on courses is ongoing. Four or Five courses will be offered from 9/99 to 12/2000. The Division will assist them in marketing and will give scholarship grants to individual farms who wish to participate.

New Funds: \$11,400

Partners: Heart of Maine RC&D, Center for Entrepreneurship, U.S.M.

2. "How-to" Publications:

Objective: Develop resource guides on a variety of market opportunities, to include Farmers' Markets, Community Supported Agriculture, Agricultural Tourism, Selling to Grocery Chains, and Workplace-Farmer Partnerships.

Strategic Value: Increase understanding of and ability to access markets for Maine agricultural producers.

Timeline: Spring/Summer, 2000 - Ongoing

New Funds: \$10,000

Partners: Agricultural producers, consumers, business partners.

3. Educational Forums on Marketing:

Objective: Develop, facilitate and collaborate to provide educational forums on marketing for Maine agricultural producers.

Strategic Value: Increase access to and exchange of successful approaches to marketing and market development, and to encourage collaborative marketing activities. Provide increased opportunities for farmer-to-farmer exchanges.

Timeline: Ongoing: January, 2000, Early Spring 2000

New Funds: \$10,000

Partners: Producers, State and National Agricultural Organizations and Associations, Local and other resources.

III. PROMOTIONAL ACTIVITIES

A. Image and Strategic Plan Development and Implementation

1. Marketing Agency Contract

Objective: Contract with strategic marketing agency to develop image and strategic plan for marketing Maine Agriculture products. Begin implementation.

Strategic Value: Revitalize image of Maine agriculture and stimulate awareness/interest in purchasing Maine products.

Timeline: December, 1999 through June, 2000. Ongoing.

New Funds: \$110,000

Partners: Marketing agency, producer organizations.

B. Publications:

1. Production and Distribution of Buyer Guides

Objective: Connect producers and buyers through ongoing, new development, and increased distribution of buyer guides.

Strategic Value: Provide information to consumers about where and how to find Maine products in formats they can use.

Timeline: Mail Order Guide: September, 1999
Wholesale Directory(s): March, 2000
CSA Directory and Information Guide: Early Spring, 2000
Others (Maple Sunday, CSA, PYO, FM etc.): Ongoing throughout year

New Funds: \$18,000

Partners: Producers, Distribution channels (e.g. Extension, Chambers, Fairs, Tourist Information Centers).

C. Enhanced Grocery and Distributor Linkages

1. Partnerships with Grocery Chains and Distributors

Objective: Increase communication/partnerships with retail chains and distributors through initiation of and participation in meetings with buyers, educational seminars and industry trade events.

Strategic Value: Facilitate the sale of Maine agricultural products. Enhanced communication and understanding of doing business with wholesales sector will enable more producers to access these markets and will enable consumers to more conveniently access local products.

Timeline: Ongoing

New Funds: \$4,000

Partners: Buyers, producers.

D. Media Relations:

1. Seasonal Press Releases

Objective: Enhance current seasonal information/press releases to include more commodities.

Strategic Value: Increased public awareness of seasonal availability of local products.

Timeline: Ongoing.

New Funds: \$2,500

Partners: Media, producer organizations, producers.

E. Special Promotions:

1. Television

Objective: Co-sponsor 13-series public television national broadcast of *New England Kitchen* cooking program.

Strategic Value: Gain national recognition for Maine high quality specialty foods generating increased sales for value added products.

Timeline: FY 2000

New Funds: \$6,000

Partners: Maine specialty food producers, Maine and National Public Television.

2. Tourism Promotion

Objective: Advertise Maine seasonal agricultural products and activities to tourists. Provide editorial input and advertisement in *Maine Invites You* publication distributed nationwide.

Strategic Value: Increase traveler awareness of and traffic to farms, farmers' markets and food producer businesses.

Timeline: Publication date, January 2000

New Funds: \$3,000

Partners: Maine Tourism Association, Maine Cultural Heritage Task Force, Maine Office of Tourism.

IV. TRADE EVENTS

A. Trade Shows

1. Maine Pavilions at Trade Shows

Objective: Coordinate Maine company participation in Maine pavilions at key trade events. Present a powerful image of Maine agriculture to buyers and to the media. Design and purchase trade show exhibition materials for state booth.

Strategic Value: Maximize visibility and sales of Maine products and assist Maine companies to reach new markets.

Timeline: Northeast Foodservice and Lodging Expo: April, 2000
Natural Gourmet Food Show: May, 2000
International Fancy Food Show: July, 2000

New Funds: \$20,000

Partners: Producers, show organizers, marketing agency commodity marketing organizations.

APPENDIX D

**Excerpt from the Maine Agricultural Center Long-Range Plan
prepared by the University of Maine Board of Agriculture**

Maine Agricultural Center Long-Range Plan

Prepared by the
University of Maine Board of Agriculture
for the
Maine Legislature

January 15, 2000

Needs Identified through the Survey of Maine Agricultural Groups

The Board of Agriculture conducted a survey of agricultural groups in Maine to determine their research and extension needs. A total of 55 agricultural groups was contacted in the spring of 1999. The groups were asked to identify their current extension and research connections and asked what were their priority research and extension needs for the future. The agricultural groups also were asked to indicate how the MAFES research farms are currently serving their needs and how they could serve their group's needs in the future. The groups were asked to respond by July 15, 1999, and to identify their needs in the broad categories of production, marketing, value added, food safety, financial management, the environment and land use and other concerns. Near the end of July, all groups that had not responded to the survey were contacted again and asked to submit their input by September 15, 1999. Overall, 22 of the 55 agricultural groups responded to the survey and identified their research and extension needs. A listing of the groups that responded and the needs they identified are contained in Appendix B.

The respondents to the Board of Agriculture's survey identified seven general areas where they feel additional research and/or extension staff is needed. These seven areas and the types of personnel needed are

- Two livestock extension specialists;
- Equine extension specialist;
- Extension nutrition educators;
- Extension food science specialist;
- Extension greenhouse specialist;
- Two vegetable positions—one in research, one in extension; and
- Plant pathology research faculty or technician for potato seed certification laboratory.

Additional extension personnel are requested in six of the areas and research personnel were requested in two of the areas. This difference probably reflects the fact that MAFES has been able to replace more faculty positions than UMCE. The vegetable and livestock areas stand out as high-priority areas—two new positions were requested in each of those areas.

Respondents also identified the following general programmatic areas that need to be addressed (with the number of groups mentioning the area in parentheses):

- Integrated pest management/pesticides (8)
- Marketing (7)
- Evaluation of feeds/forages (6)
- Plant disease (6)
- Value added (5)
- Business/finance/other economic studies (5)
- Economic impact studies (3)
- Food safety (3)
- Livestock genetics (3)
- Livestock nutrition (3)
- Waste/nutrition management (2)
- Animal disease (1)

After carefully reviewing the feedback from the 22 organizations and groups, the Board is making the following recommendations to the University. These recommendations were formulated at the December 2, 1999, meeting of the Board.

Critical Staffing Needs for Maine Agriculture

1. *Vegetables*: one FTE (full-time equivalent) in extension and research. The vegetable and small fruit growers have been receiving limited University support for more than three years. The extension small fruit specialist has been doing a commendable job attempting to support the educational needs of the vegetable producers; however, the needs of this growing industry far exceed what is currently available.
2. *Livestock*: one FTE in livestock with an emphasis on extension activities in ruminant animals. The beef, sheep, venison, and dairy commodities all expressed the need for greater University support. The loss of an extension livestock specialist has been keenly felt by these industries. There is a need for the University to bring these groups together to determine what the highest priorities (nutrition, livestock/crop rotations, etc.) will be for this position. Many of these industries are growing in the number of producers and/or animals in Maine.
3. *Entomology*: one FTE of economic entomology to work in integrated pest management (IPM) and integrated crop management (ICM) to support plant product industries. Currently the University is unable to supply all of the entomological needs of the plant commodities. The IPM staff of UMCE is a valued resource but is limited to specific commodities and too small to respond to the needs of Maine's agricultural community. This position will help producers understand the many changes that are occurring in pest management strategies and the appropriate use of new pest control products where appropriate and necessary.
4. *Food Science & Food Safety*: one FTE to work in value-added product development. This should also include small companies wishing to increase production or to add new products. Maine has a large number of home-based businesses that specialize in food product production. There is an acute need for product testing and new product development. The cost for this work is prohibitive for most small business owners. The University is the unique resource that can assist with the analysis of new food products. New facilities being constructed at the University, including a new food manufacturing pilot plant, will also

enhance the University's ability to serve the agriculture industry in development and testing of new value-added products.

5. *Plant Pathology*: one FTE of research activity to support plant pathology work needed by producers. The University has been asked to assume the responsibility of the potato seed-testing laboratory that currently operates under the Maine State Department of Agriculture, Food and Rural Resources. To assume responsibility of the seed-testing program, the University will need a pathologist capable of conducting this work. It is expected that this position would also respond to other pathology needs as well.

These critical staffing needs do not meet all the needs identified on page 10. These recommendations focus on the highest priority needs as perceived by the Board. The assessment of needs is an ongoing process. It is the Board's opinion that other needs listed in the responses to the survey should be evaluated and prioritized at future Board meetings. The Board recommends that the University strive to fill these staffing needs through a variety of methods. For example, the Maine Agricultural Center is managing newly formed split appointments with existing and new staff. These appointments have research and extension responsibilities that will enhance the University's abilities to respond to the needs of Maine's agricultural community. Another method is to consider the reallocation of existing resources toward these staffing needs. This may mean redirecting a current faculty member's work or the reallocation of funds. A third opportunity, especially for UMCE, is to seek external grants and contracts that will fund new staff. The Board recognizes that these funds are often for fixed-length and for specific projects; however, external funds represent an opportunity to meet unmet needs.

The Board feels that the agricultural industries need to support the University in finding the resources to implement these staffing recommendations. We acknowledge that a number of commodities are already making significant contributions of time and funding to the University. This practice needs to continue and to grow wherever possible. Lastly, we recommend that UMCE and MAFES seek greater allocations of funding through the University of Maine's budget process to rebuild priority research and extension capabilities. Finding new funding is a formidable challenge; however, in order to fulfill the mission of the land-grant institution the University of Maine must assist citizens engaged in the broad area of agriculture.