

Joint Standing Committee on Agriculture, Conservation and Forestry (ACF)

**Review of the Agricultural Creative Economy Sector (ACES) Report**

Wednesday, September 17, 2008

**MEETING SUMMARY**

**Members in attendance:** Senator John Nutting (co-chair), Representative Wendy Pieh (co-chair), Rep. Peter Edgecomb, Rep. Dean Cray, Rep. Timothy Carter, Rep. Jeffery Gifford, Rep. Donald Marean, and Rep. John Piotti.

**Members absent:** Senator Margaret Rotundo, Senator Roger Sherman, Rep. Jacqueline Lundeen, Rep. Raymond Pineau, and Rep. Benjamin Marriner Pratt.

**1. Overview of Task and Background – Duties of the Committee**

Office of Policy and Legal Analysis (OPLA) staff summarized events and legislation which led to the ACF Committee's charge.

The Committee shall:

- a. discuss recommendations included in the report of the Department of Agriculture, Food and Rural Resources, "The Agriculture Creative Economy: Needs, Opportunities, and Market Analysis" and not addressed in PL 2007, chapter 660;
- b. evaluate the merits of the recommendations and the resources needed for implementing each; and
- c. develop any legislation necessary to implement the report's recommendations relating to development, assistance and labor recruitment and training for agricultural businesses and the promotion and marketing of agricultural products.

The ACF Committee is authorized to meet three times during the interim. The Committee may submit legislation to implement the report's recommendations to the First Regular Session of the 124<sup>th</sup> Maine Legislature.

**2. Review ACES Report Recommendations – Proposed Initiatives #1 through #10**

OPLA staff reviewed Resolve 2007, chapter 13 directing the Department of Agriculture, Food and Rural Resources (DAFRR) to conduct a study on the value-added agricultural creative economy sector of the Maine economy.

OPLA also reviewed the ten proposed initiatives included in the ACES report. OPLA staff provided a worksheet with a description of each recommendation, the status of each, and comments on potential legislative action to address each recommendation. Staff created the worksheet to serve as a tool for Committee members as they consider prioritizing their work.

### **3. Maine Food Policy Council Presentation**

Cathe Morrill from the State of Maine Cheese Co., who serves as chair of the Maine Food Policy Council (MFPC), made a brief presentation to the Committee. MFPC was established by the Maine Legislature during the Second Regular Session of the 122<sup>nd</sup> Maine Legislature by PL 2005, chapter 614 (7 MRSA section 216). Ms. Morrill explained that MFPC has formed the following three subcommittees: consumer, infrastructure, and resource base. Ms. Morrill indicated that the Council's next meeting will be Tuesday, October 7, 2008.

The Council is currently developing a strategic plan with the goal of providing a safe, adequate, wholesome and nutritious food supply for consumers. Morrill expressed concern about the difficulty of tackling Council duties as the Council's work is conducted with limited staff support and resources.

Representative Piotti noted that when the Council was created by the 122<sup>nd</sup> Maine Legislature, it was viewed as a vehicle within Maine to look at opportunities for local food producers. Other states have statewide councils that have been successful. However, Representative Piotti said that the Council needs dedicated resources to make things happen, particularly a dedicated point person to connect industry leaders with policymakers.

### **4. Business Visitation Program Presentation**

Marge Kilkelly, representing the Northeast States Association for Agricultural Stewardship (NSAAS), provided an overview of the Maine Department of Labor (MDOL) Business Visitation Program (BVP) for dairy farmers.

BVP is a survey conducted of businesses in a selected area or industry sector with the purpose of helping industries identify and resolve business concerns. The survey is designed by a task force comprised of people from the sector itself. Local volunteers are recruited to visit farms with a confidential survey to gather information about industry concerns and opinions. Once all the interviews are completed, the surveys are returned to the MDOL BVP program manager as confidential. The information is shared in aggregate form and reviewed by the BVP task force who will then develop recommended action strategies for business retention and expansion. The task force of the BVP for dairy farmers includes the following entities: NSAAS, Maine Department of Labor (MDOL), DAFRR, Maine Dairy Industry Association (MDIA), and the Maine Farm Bureau.

MDOL receives federal funding to assist with the BVP Program. The program manager is funded almost exclusively from federal funds with some contribution from State funds. Furthermore, it is up to each task force to raise funds for full implementation of its own particular survey. The task force for dairy farmers would work through the non-profit arm of the Maine Farm Bureau, which would be the recipient of any grant funding that supports the BVP for dairy farmers.

Gaetane Johnson, BVP Program Manager at MDOL; Julie Marie Bickford, MDIA; John Harker, DAFRR; Mary McPherson, consultant; and Jon Olson, Maine Farm Bureau also took part in the presentation.

Several members of the panel indicated that one-on-one surveys deliver the best results. Face-to-face contact allows for immediate delivery of information and clarification of survey questions. Ms. Bickford noted that the dairy industry is hoping to create a blueprint survey and program that other agricultural industries can model.

John Harker, Director of Production Development at DAFRR, indicated this work has strengthened communication between DAFRR and MDOL and the survey program would help make connections between MDOL programs and industry needs. It is his hope the survey could be used in other agricultural sectors as well.

Representative Marean also expressed the need to get young people interested in and trained for the agricultural workforce.

Senator Nutting asked DAFRR to provide a historical synopsis of the farm internship program at DAFRR at the next ACES meeting in October. How much it cost? Who has it helped? The Committee also asked Russ Libby of the Maine Organic Farmers and Gardeners Association (MOFGA) to provide some information about the MOFGA apprenticeship program at the Committee's next meeting.

The panel said the long-term goal for the BVP is that each sector within agriculture will have a task force.

Jon Olson of the Maine Farm Bureau noted that farmers are most concerned about the high cost of feed and diesel fuel. He also noted that because farmers are critical of State agencies and the Legislature and are generally distrustful of State government, one-on-one interviews are the best way to complete surveys. In-person interviews also serve as an opportunity to educate farmers. Many dairy farmers were not aware of the State's three-tier milk pricing system, current use land tax breaks, low interest loans and energy audit opportunities.

Marge Kilkelly summarized that BVP could be an important piece of agricultural business in terms of education, training and business development. She noted there are knowledge gaps and the survey is an opportunity to provide a solid knowledge base. Her goal is to survey as many as eight groups or sectors over a three-year period, starting with the dairy sector. Ms. Kilkelly indicated that her group would like to start conducting dairy farmer surveys at the next Agricultural Trade Show in January 2009 and then report to the dairy industry in the spring of 2009.

Ms. Kilkelly outlined a proposal for the BVP for dairy farmers. First, her group is applying for a Maine Technology Institute (MTI) seed grant for \$50,000. Secondly, once the program is up and running, her group would pursue MTI grant money under their cluster initiative program for a multi-year project with expansion to other agricultural sectors. Funding would be contingent on the completion of sequential key tasks.

Ms. Kilkelly sees the BVP for dairy farmers as an opportunity to prove that government can provide benefits. Ms. Kilkelly asked the ACF Committee to send a letter to MTI in support of their grant application so they may launch the visitation program and survey for dairy farmers. The Committee took a straw vote and unanimously voted in favor of sending a letter of support to MTI.

Committee members discussed the Dairy Stabilization Task Force that was created in 2003, which encouraged a farm-to-farm visitation program.

## **5. Maine DOL – Overview of Program and Services and Apprenticeship Program**

Ned McCann, Director of Employment Services at MDOL, provided a summary of programs at MDOL. In addition to the Business Visitation Program, programs include: Rapid Response, Apprenticeship, Base Realignment and Closing, Migrant Seasonal Farm Worker, and Job Bank Central, to name a few. Mr. McCann indicated that MDOL recently went through a consolidation effort and reduced some of the department's bricks-and-mortar costs.

Committee members asked a few questions about foreign and migrant labor. Representative Cray in particular wondered why Maine employers are not hiring local people. Jorge Acero, Employment and Training Specialist at the Bureau of Labor Standards at MDOL, indicated that there are many reasons, including not enough locals, the job itself is not attractive, or the person in the job is not meeting production standards. Mr. Acero said that employers must have a critical mass of available labor to meet their needs. He added that foreign and migrant labor issues are complex.

Gene Ellis, Director of Apprenticeship at MDOL, provided some information about the State's apprenticeship and pre-apprenticeship programs.

Apprenticeship is a combination of on-the-job training, theoretical classroom instruction, and supervision of a journey-level craft person or trade professional. Workers learn the practical and theoretical aspects of a highly-skilled occupation. Mr. Ellis talked about the farm worker apprenticeship program and working with associations to develop new programs. For example, he recently worked with a cheese-makers guild to provide training at an agricultural trade show.

Pre-apprenticeship is specifically for high school juniors and seniors as pre-apprentices must be 16 years of age to be eligible for a registered apprenticeship program. The U.S. Department of Labor defines the labor standards for the registration of apprenticeship programs in Title 29 of the Code of Federal Regulations in Parts 29 and 30. Pre-apprenticeships, in particular, are a partnership between Maine's secondary schools, employers, high school juniors and seniors and their parents or guardians, and Maine's registered pre-apprenticeship program.

Committee members discussed the difficulty of attracting young people into the agricultural industry and getting them interested in an agricultural career. Representative Pieh said that

many do not see the agricultural industry as economically viable. Representative Cray said that farming is not just about economics, but it is a lifestyle.

Representative Gifford would like to hear more about apprenticeships at the Committee's next meeting. Specifically, what is being done to get children interested in agriculture at an early age to develop future farmers?

Representative Edgecomb would like Doug Robertson, agricultural education specialist with the Department of Education (DOE), to make a presentation at the Committee's next meeting.

## **6. Information requests for next meeting**

### A. Agricultural Education and Training for Youth (Proposed Initiative #8 – labor sourcing and training):

1. Senator Nutting asked DAFRR to provide a historical synopsis of the farm internship program at DAFRR at the next ACES meeting in October. How much it cost? Who has it helped? The Committee also asked Russ Libby of the Maine Organic Farmers and Gardeners Association (MOFGA) to provide some information about the MOFGA apprenticeship program at the next meeting.
2. Representative Gifford would like to hear more about apprenticeships at the Committee's next meeting. Specifically, what is being done to get children interested in agriculture at an early age to develop future farmers?
3. Representative Edgecomb would like Doug Robertson, agricultural education specialist with the Department of Education (DOE), to make a presentation at the Committee's next meeting.

### B. Department of Agriculture Update:

1. Senator Nutting asked for an update from the Department's marketing division, specifically a review of the promotion and marketing budget (Proposed Initiative #2 – consumer word-of-mouth market development).
2. Representative Cray would like the Commissioner of DAFRR to be present at the next meeting to discuss the ACES report. Specifically, in the Commissioner's cover memo to the ACF Committee that accompanied the ACES report, he states: "One area that needs further research is how government can improve services and minimize regulatory oversight in order to reduce the burden on the family farm." Representative Cray would like to know if DAFRR has ideas on how to reduce the regulatory barriers to a successful agricultural creative economy sector.
3. Representative Pieh asked for the Department's input as to how the recommendations in the ACES report should be prioritized.

C. Access to Capital for Agricultural Creative Economy:

1. Marge Kilkelly, on behalf of the Business Visitation Program (BVP) for dairy farmers task force, asked the ACF Committee to send a letter to Maine Technology Institute (MTI) in support of their grant application so they may launch the visitation program and survey for dairy farmers. The Committee took a straw vote and unanimously voted in favor of sending a letter of support to MTI (Proposed Initiative #8 as well as Proposed Initiative #9 – improve access to capital).
2. Representative Pieh would like to hear from the Maine Technology Institute at the Committee's next meeting. Representative Pieh also asked that staff extend a special invitation to Representative Nancy Smith who serves as Chair of the Joint Standing Committee on Business, Research and Economic Development and is a farmer as she may have valuable insight on the issue of the agricultural creative economy coupled with its business and research needs [Proposed Initiative #9 primarily as well as Proposed Initiatives #1 (food processing and distribution), #2 and #5 (shared-use kitchens)].

D. Research Needs (Proposed Initiative #4 – increase support to University of Maine, and Proposed Initiative #5):

1. Representative Pieh also requested that a representative from the University of Maine's Cooperative Extension and the University's Department of Food Science and Human Nutrition make a presentation at the next meeting.

<b>Future Meeting Dates</b>
<ul style="list-style-type: none"><li>• Wednesday, October 15, 2008, Room 206, Cross State Office Building, Augusta</li><li>• Wednesday, November 19, 2008, Room 206, Cross State Office Building, Augusta</li></ul>



Staff:

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Disclaimer: This information is intended to summarize the general content of the meetings but is not intended to be meeting minutes.