

Recommendations

Cross-cutting Issues

Maine's natural resource-based industries – fishing, farming, forestry, aquaculture, and tourism – each is wonderfully unique, fiercely independent, and distinctly separate; yet, whether logging contractors, commercial fishermen, family farms, bed and breakfast operators, sports camp owners, or holders of aquaculture leases, there are undeniable commonalities and inextricable links among them. Now is the time to strengthen those links and come together to develop a joint course of action. Fishing, farming, forestry, aquaculture, and tourism are now loosely woven together, but we must grow to appreciate the strength of a tighter weave. As the world economy has changed, the pressures bearing down on Maine's businesses and natural resources are enormous, unforgiving, and demand a new and coordinated approach.

Individually, the traditional natural resource-based industries represent a relatively small portion of Maine's economy. But collectively, aquaculture, fishing, farming and forestry start to amass political, financial, and market clout; and when we add tourism – an industry based in part on the very natural resources the others steward – that clout is doubled. Together, these industries account for approximately one out of every five jobs in Maine. Together, they contribute about one out of every five dollars of wealth generated. Together, they have a major presence in each of the 16 counties. But to take advantage of all of this collective muscle, we must clearly understand the issues they share and work together towards common solutions that benefit all.¹

The conference participants examined the recommendations put forth and, in almost every instance, supported what was proposed or made suggestions to strengthen them. The recommendations address eight areas that the sectors have in common:

1. Access to the very natural resource-base on which the industries depend
2. Market development that takes advantage of the "Maine" brand
3. Small business support
4. Objective data, research, and science for policymaking
5. Clear and stable public policy
6. Tax policy and economic development incentives
7. Coordination/collaboration across industries and government agencies

Access to the Natural Resource

For Maine's natural resource-based industries to survive and prosper, it is essential for them to have effective and continuing access to the resource they use – be it large, relatively flat and open land for farming, forests for harvesting wood, shore frontage and docking facilities for commercial fisheries and aquaculture, or Maine's lakes, rivers, mountains, ocean, and forests for hunting, fishing, hiking, boating and camping. There are four major trends that have been limiting access to the resources these industries need for survival:

¹ Lachance, Laurie. *Finding Common Solutions*. State Planning Office, Augusta, ME, October 2003.

- Patterns of Development – Land in Maine, particularly in southern and coastal areas, is being consumed at an alarming and accelerating rate which has fragmented the land base and put strain on the industries that rely in it.
- Rising Valuations – As development occurs, the value of land, as well as the property taxes associated with it, rises, putting pressure on those trying to continue traditional natural resource activities.
- Conflicting Uses – The result of development is the rise in conflicting uses, with tensions arising between farmers and neighboring residents, and fisherman and retail businesses and upscale homes along the shoreline.
- Forestland Ownership Changes – There have been deep and unsettling changes in forestland ownership over the last decade. In some cases, major land parcels have changed ownership two or three times, or large tracts have been divided and sold into much smaller parcels. The changing ownership patterns generate unease about the continued availability of these lands for forest management and wild land recreation.

1

Recommendation: Create a comprehensive action plan to address the pressures that rising land valuations are placing on fishing, farming and forestry landowners – The Departments of Conservation, Marine Resources, and Agriculture should work with the state tax assessor and the Working Waterfront Coalition, the Agriculture Council of Maine, the Maine Tourism Commission, and other industry stakeholders to address the issues around rising land valuations and the pressure it exerts on these industries to sell off land. A “tool kit” of tax, fiscal, and regulatory incentives should be developed that enables flexible, effective approaches to the varied issues across these sectors. As part of its work, the group should recommend a tax proposal regarding farmland, forests, and working waterfronts for consideration in the next legislative session, in January 2005.

2

Recommendation: Support a new Land for Maine’s Future bond – There remains an urgent need for state-funded land conservation in Maine that supports the natural resource-based industries. The Land for Maine’s Future Program should continue to work with the Departments of Agriculture, Conservation, Economic and Community Development, Inland Fisheries and Wildlife, and Marine Resources to coordinate the various public and private planning efforts. It should continue to look for opportunities where land conservation can support economic and community development, and conserve the natural resources that form the basis of the state’s economy, including farmland, working forests, coastal water access, and recreation lands.

3

Recommendation: Strengthen Maine’s service center communities as a primary strategy for stemming the ill-effects of sprawl on rural Maine – The State Planning Office, in developing the Governor’s fiscal reform and smart growth agendas, should explore avenues for strengthening Maine’s service centers to the fullest extent possible in an effort to alleviate the development pressure on rural land.

4

Recommendation: Increase public information on “Right to Farm” and “Right to Fish” laws – The Departments of Agriculture and Marine Resources should work with the Maine Real Estate and Development Association to raise awareness of and these laws and the implications of settling next to working farms and waterfronts. The public information should also educate the public of the importance of these industries in Maine.

Market Development and Branding

With the commoditization of product markets and the evolution of fierce global competition, it has become increasingly difficult for comparatively small Maine enterprises to compete. Fortunately, the Internet has provided an entirely new marketing option that has enabled Maine businesses to reach out across the globe in a manner and to a degree that they could never have done through traditional marketing channels. Further, we are starting to appreciate the fact that “Made in Maine” products, with a government and business culture of sustainability, are respected and valued, providing advantageous market opportunities for Maine businesses.

- 5 **Recommendation:** *Explore the possibilities for developing a coordinated marketing theme for all of Maine’s natural resource-based industries – The Department of Economic and Community Development should be charged with developing, to the fullest extent possible, one common theme under which all of Maine’s natural resource-based products may be marketed. If one comprehensive brand is found to be unworkable or impractical, the department should lead efforts to develop brands for the five industry sectors which will complement and reinforce each other, maximizing the effect of Maine’s limited marketing dollars. A first task for the department to undertake would be to meet with leaders across all five sectors to identify funding streams to support this branding and marketing effort.*
- 6 **Recommendation:** *Develop and formalize strong working relationships with government and industry in Atlantic Canada – The Department of Economic and Community Development should charge the Maine International Trade Center and the natural resource agencies with developing a plan to strengthen marketing opportunities for natural resource-based products by creating partnerships with neighboring Canada and exploring joint production and marketing of such products as mussels, lobster, ground fish and salmon, as well as agricultural and forest products.*
- 7 **Recommendation:** *Create and strengthen links between Maine agricultural entities and fisheries, and Maine restaurants – The commissioners of the Maine Departments of Agriculture and Marine Resources should invite Maine wholesalers, the Maine Restaurant Association, in cooperation with the Eat Local Foods Coalition, the Maine Innkeepers Association, the University, and the Community College System to work with the departments in developing strong marketing channels that enable Maine restaurants, inns, and college campuses to feature Maine food products. This effort should also include outreach to Maine’s government facilities, schools, hospitals, summer camps, and other institutions.*

Small Business Support

When you strip out the paper industry and a few large resorts or recreational facilities, the vast majority of people employed in Maine’s natural resource-based industries work in small businesses. In fact, not only are these businesses small, but in many cases they are considered micro-enterprises, which tends to magnify the challenges they face. Further, given their dependence on natural resources, these small businesses are spread across the state and often located in Maine’s most rural areas. Given their remote locations and small scale, it is difficult to secure affordable insurances, to access technical and educational training, to participate in political processes, or to gain clout or purchasing power in the market place. Lack of time and resources make it difficult to visit other operations, seek out best business practices, or negotiate deals with vendors. In addition, the very nature of the work is often

relatively dangerous, adding unusually high costs to insuring their businesses, or, as is sometimes the case, forcing them to be under-insured.

- 8 **Recommendation:** *Develop a comprehensive natural resource-based industries education and skill development program – A natural resource-based industries education council should be formed to include members from the University System, the Community College System, the Departments of Labor, Education, Economic and Community Development, and the small business development centers. The Council should be charged developing a seamless, comprehensive educational and skill development program that ensures the provision of: (a) basic business skill and entrepreneurial development programs across all five industries; (b) comprehensive apprenticeship and mentoring programs for all of the natural resource-based sectors; (c) articulation agreements that offer an educational ladder from high school through the University System ; and (d) a strategy for identifying best practices in each of the five sectors and using existing channels to get information and training opportunities out to the sectors.*
- 9 **Recommendation:** *Develop affordable workers' compensation, group health, dental, and long-term care insurance options – The Departments of Labor and Professional & Financial Regulation should form and empower an interagency working group to work with industry to secure and provide reasonably-priced insurances for small businesses across all of these industry sectors.*
- 10 **Recommendation:** *Access adequate seasonal labor – The Department of Labor should develop a program (building on existing programs) that identifies, screens, and secures appropriate domestic and foreign workers to fill seasonal jobs during peak tourist season and key agricultural harvesting periods.*
- 11 **Recommendation:** *Facilitate the development of cooperative and aggregated purchasing options – The commissioners of the state's natural resource agencies should form an inter-industry and interagency working group to explore the opportunities for aggregated electricity purchases, heating and transportation fuel bulk purchases, and other commodity cooperative purchases for small business across all of these industry sectors.*

Objective Data, Research, and Science for Policymaking

All of Maine's natural resource-based industries need good, objective information on which business and policy decisions may be made. From the tourism industry, there is a plea for establishment of a high-level center of on-going basic and applied research into the economic, physical, and cultural attributes of Maine's hospitality and recreation industry. Tourism, agriculture, and the fisheries share the common need for accessing and applying best practices, for developing measures of carrying capacity, and for identifying and capturing new markets. The commercial fisheries, most critically, but aquaculture, agriculture and the forest products industries as well, desperately need scientific research to guide the use and development of their resource, and to assure that sustainable harvesting practices are put in place. As natural resource industries increasingly use more complex adaptive management regimes, capacity in complex system science needs to expand.

In a knowledge-based economy, access to reliable data, research, and science is essential in assuring long-term viability of these and other industries. Perhaps the greatest opportunities for Maine’s wood fibers, agricultural products or bi-products, and the vast marine resources have not yet been discovered or developed. Evolving our strategies from extraction towards creation offers tremendous potential for Maine. Whether it is wood fiber used for new building supplies, forest or agricultural biomass converted to cleaner, renewable fuels, or medicine harvested from the sea, all offer great promise for Maine and demand a vastly greater focus on research and development.

Further, Maine has an opportunity to take the lead in cold water marine research. By building on the efforts of the University and existing public and private research facilities in Maine, we can keep fishing jobs and create new jobs in marine sciences.

12 | **Recommendation:** *Enhance and focus the natural resource research and development agenda in Maine's University System - The Governor and the University System should explore further opportunities for strengthening the research agenda that supports the ongoing health and viability of Maine's natural resource-based industries. The plan should encourage user-defined research and lay out plans and incentives for encouraging faculty, graduate, and undergraduate research to focus on issues that are of major concern to Maine industry. The agenda should specifically address needs in risk assessment so that industry can better analyze decision making trade-offs, in geographical information systems (GIS) and other spatial information on both small scale and large scale, and in the application of complex system science to natural resource issues. The plan should examine the potential for endowed chairs and centers for research on relevant topics and involve math, statistics, and economics classes in real life, Maine-based problems to heighten the awareness of students to the issues faced by Maine businesses and natural resource communities and to contribute information and data to them. The plan should include strategies for improving communication of existing data and research to potential users and should assure that parties in disputes have access to good science and credible mediation services, including the creation of a Maine Academy of Science to resolve competing research results in contested resource issues and to insure that the best information is brought to bear in the decision-making process.*

13 | **Recommendation:** *Increase the state's capacity to provide technical assistance to the natural resource-based industries – The Departments of Conservation and Economic and Community Development and the State Planning Office should explore ways to create better capacity for risk assessment, so that industry may better analyze decision-making trade-offs; and improve the capacity and the resources for using geographical information systems (GIS) and other spatial information on both the small-scale and large-scale.*

14 | **Recommendation:** *Continue to support state investment in research and development through bonding, as resources allow – As Maine's economy transitions from traditional manufacturing to a knowledge economy, the development of new products and services from our natural resources offers tremendous potential. It is important to invest in research and development to transform our mature natural resource-based industries using the same resources, but with new and higher value in a new economy.*

Clear and Stable Public Policy

Within any economic sector, clear and stable public policy facilitates long-term viability and overall success. Lack of clarity can diminish the potential effectiveness of programs and investments. Worse yet, unpredictable, frequently changing public policy increases risks to investors, diminishing the number and level of investments in our state. Without appropriate investments in capital equipment, technology, and skill development, these industries will be unable to compete.

The lack of a clearly-defined and articulated, stable natural resource policy has led to frustration among stakeholders and potential investors, periods of disruption in economic activity, and the deferment or cancellation of needed investments in Maine. The clear-cutting referendum led to years of bitter dispute and suspension of investment in our forest products industries. The perennial heated debate over funding the Business Equipment Tax Reimbursement deters capital investment, as investors are not sure whether they may count on the incentive going forward. The lack of a clear strategy for aquaculture development has led to numerous controversies and uncertainty up and down the coast of Maine.

The presence of clear and predictable expectations, guidelines, and rules will greatly enhance the viability of all sectors and organizations working within them.

15

Recommendation: *Develop a clear, comprehensive, balanced natural resource policy for Maine that recognizes the importance of these industries to Maine – The Natural Resource-based Industries Steering Committee should lead a coordinated visioning process (which includes representatives of each industry, environmental concerns, and academic institutions, and takes into account information coming out of this conference) which results in a clearly articulated vision for Maine’s natural resource-based industries and goals within and across these sectors to move us towards that vision.*

16

Recommendation: *Establish a benchmarking process for Maine’s natural resource industries – The Natural Resource-based Industries Steering Committee should develop indicators specifically for the natural resource-based economy; reviewing the annual benchmarking results; and recommending policy or program changes to keep Maine moving toward the vision for these industries. The Maine Economic Growth Council’s Measures of Growth benchmarking process uses targeted indicators to assess the state of the economy and is an invaluable resource to Maine leaders for policy development. The natural resource industries’ benchmarking process could be modeled after or incorporated into the Measures of Growth report.*

Tax Policy and Economic Development Incentives

Maine’s tax structure and relatively high tax burden are clearly issues that cut across the natural resource-based industries. From the conference, two taxes emerged as the most problematic, the property tax and the personal property tax on machinery and equipment. Burdensome property taxes squeeze farmers and timberland owners, and pose extreme threats to fishermen who live and work on coastal properties. To a certain extent, current use valuation has relieved the pressure of this tax on farmers and foresters, but no such program exists for fisherman. The personal property tax on machinery and equipment is seen as a deterrent to capital investment, and puts all Maine business at a competitive disadvantage.

In the March 2001 report, *Fishing, Farming and Forestry: Resources for the Future*, researchers found that while these sectors contribute less than 10% to Maine’s gross state product, they garnered nearly

36% of all economic development dollars. To suggest that these industries are not receiving their fair share of scarce economic development resources would be incorrect. To suggest that the dollars allocated may be targeted to the wrong places or, at a minimum, could be much more effectively targeted to provide greater assistance is a fair and informed idea.

- 17 | **Recommendation:** *Eliminate the personal property tax on machinery and equipment for investments made after April 2004 – In an effort to encourage capital investment in these and all related industries, this tax should be eliminated prospectively.*
- 18 | **Recommendation:** *Develop a regulatory support system for all small businesses in these industries – The Natural Resource-based Industries Steering Committee should evaluate the regulatory burdens faced by businesses in the natural resource-based sectors, develop a pro-active program to streamline regulations that are within the state’s control, and inform Maine’s businesses about regulatory changes and potential compliance issues.*
- 19 | **Recommendation:** *Develop a comprehensive plan for reducing energy costs across all these industries – The Energy Resources Council should be charged with developing a long-term plan for reducing energy costs, developing renewable resources powered by the waste stream in these natural resource-based industries, and investing in efficiencies to reduce energy consumption and emissions.*
- 20 | **Recommendation:** *Improve access to technology and financial assistance by taking development resources to the regions – The Department of Economic and Community Development, in partnership with the Departments of Conservation, Agriculture, and Marine Resources, the Maine Technology Institute, the Maine International Trade Center, the Finance Authority of Maine (FAME), Coastal Enterprises, Inc. (CEI), federal agencies, and individual industry leaders, should establish a business management and assistance seminar program which travels to different regions of the state through the course of the year.*
- 21 | **Recommendation:** *Study the potential elimination or reduction of the sales tax for diesel fuel consumed on fishing vessels and in logging operations. The Maine Revenue Services should examine the tax implications.*

Coordination/Collaboration across Industries and Government Agencies

The degree of organization and collaboration within the natural resource-based industries varies widely. Tourism and agriculture could perhaps be held up as exemplary. Tourism has a number of associations (Maine Innkeepers Association, Maine Restaurant Association, Maine Campground Owners Association, etc.) which are represented on the Maine Tourism Commission and served by the Office of Tourism. Similarly, the agricultural sector has a blueberry commission, a dairy council, the Maine Organic Farmers and Gardeners Association, and other entities which represent and promote aspects of the sector, as well as the Agricultural Council of Maine which unites them. The forest products sector also has numerous associations (Maine Pulp and Paper Association, Maine Forest Products Council, Maine Secondary Wood Products Association, Maine Independent Energy Producers, etc.), but there doesn’t appear to be any umbrella organization that brings these interests together. Similarly, Maine fisheries have numerous small associations, but these groups generally don’t communicate with each other and lack a central voice or organization that could bring interests together to work on common issues.

Clearly, there is opportunity within these sectors to tackle more effectively the issues they have in common if there were a higher degree of coordination and collaboration. Additionally, each sector is served by a different state department or, in some cases, federal agency. Greater coordination of government interests has tremendous potential for effectively aiding in the development of these sectors.

- 22 | **Recommendation:** Empower an inter-industry team to develop a long-term plan for developing productive, multi-use forests – The Department of Economic and Community Development should work with the Departments of Conservation and Inland Fisheries and Wildlife to develop a long-term plan for identifying eco-tourism and cultural tourism assets, directly linking the outdoor recreation and tourism industries with Maine’s green forest and forest products industry, and encouraging partnerships with landowners for specialized recreational activities.
- 23 | **Recommendation:** Foster collaboration among tourism, aquaculture, and other uses of Maine’s coast – To accomplish this, the Departments Economic and Community Development and Marine Resources and State Planning Office should engage the Working Waterfront Coalition in developing an informational campaign describing the working waterfront and the many benefits of Maine’s multi-use waterfronts. Outreach materials should be distributed to tourism businesses, visitor centers, and municipal offices.
- 24 | **Recommendation:** Create a central clearinghouse of natural resource policy initiatives – The State Planning Office should develop and maintain a Web-based listing of all research, planning, and policy efforts to ensure that state planning and policy development is known and open to all interested parties.
- 25 | **Recommendation:** Formalize the Blaine House Conference on Natural Resource-based Industries Planning Committee into a standing Steering Committee to the Governor, to ensure continuity of this effort and strengthen cross-industry coordination in the future – In addition to formalizing the Committee’s role, its membership should be broadened to include appropriate private sector representation from each of the major industry groups.

Public Infrastructure

Infrastructure is the foundation that supports all economic activity. Nowhere is traditional infrastructure more important than in the natural resource-based industries. Road networks, ports, piers, airports and railways are critical to the survival of each of these industries. Though the focus may vary, the overall importance is beyond question. Inputs to and exports of the paper industry rely heavily on rail and ports with warehousing infrastructure. Agricultural and wood products depend heavily on adequate roadway systems. The fishing and aquaculture industries rely on accessible, fully equipped piers and vibrant ports. Tourism’s vitality is based, in large part, on safe, efficient highways, airports, and alternative transportation systems.

In addition to the public infrastructure, there is an array of private infrastructure and services that support these industries. These include dock services for cruise ships, ice plants for keeping fish fresh, sawmills for the forest products industry, grain suppliers, storage, and tractors for agriculture, to name but a few. There is a critical mass of support services on which these industries depend. In Portland, for example, there is a sole ice plant that produces ice for all the fishing boats, the Fish Exchange, and other wholesalers and retailers that get product from the sea to market. If that plant becomes unable to supply ice, it would severely disrupt the fishing industry in that area. Without these services or without

them in sufficient quantity and quality to meet the industries needs, the industries themselves cannot operate.

Affordable workforce housing is also part of the infrastructure that supports Maine’s natural resource-based industries. Real estate prices have become most extreme in the very areas where the workers employed in Maine’s natural resource-based industries live, forcing them away. Industries struggle to attract a workforce because workers cannot afford to live in or relocate to the communities where they need to live to be close to their workplace.

- 26 **Recommendation:** Give priority to the implementation of the Maine Department of Transportation's "Explore Maine" passenger transportation plan – This plan calls for the development of an integrated, multimodal approach for moving visitors and residents into and throughout Maine without dependence on the automobile. Explore Maine calls for public and private investments to support rail, marine, bus, and air transportation, as well as bicycling and pedestrian trails.
- 27 **Recommendation:** Give priority to the implementation of the Maine Department of Transportation's Integrated Freight Plan – The plan calls for the development of a multimodal approach to moving goods into and throughout Maine by trucks, rail, and ships. This plan includes the Maine DOT's 3-port strategy to focus marine infrastructure investments in Eastport, Searsport, and Portland.
- 28 **Recommendation:** Set up an interagency working group to identify the infrastructure and services necessary to support Maine’s natural resource-based industries – The Departments of Agriculture, Conservation, Economic and Community Development, and Marine Resources should work with industry representatives to identify the public and private sector facilities and activities that are needed to support industry, analyze their current ability to meet industry needs, and make recommendations for ensuring key infrastructure and services can endure.
- 29 **Recommendation:** Create a strategic plan for developing and maintaining public warehousing capacity. The Department of Transportation should develop this as part of their long-term transportation plan.
- 30 **Recommendation:** Continue to support state investment to construct affordable workforce housing – The Maine State Housing Authority should continue its work to develop affordable housing for Maine’s workforce using a variety of state bond, federal, and private funding.
- 31 **Recommendation:** Increase the development and placement of historical and interpretive signage – The Departments of Agriculture, Conservation, Economic and Community Development, and Transportation should work together to develop signage that encourages tourists to visit Maine’s farmers’ markets, farm stands, and recreational and eco-tourism sights.

Agriculture

Maine agriculture is a vital component of rural Maine and a substantial contributor to the Maine economy. Viewed as producers and processors of commodities, Maine agriculture contributes about \$425 million annually in direct farm sales, and Maine food processors have sales of nearly \$1 billion. However, because our resource base is limited and global competition is increasing, commodity farming has declined in real terms since the mid-1970s. Maine agriculture can also be viewed as a state food system. Here, direct sales of food products and services in Maine total \$3.3 billion, with 57% of that in retail distribution, 30% in food processing, and 13% in agricultural production. Maine farmers get less than 4% of the \$3 billion of food expenditures by Maine households. There appears to be substantial growth opportunity for Maine farmers in this component of Maine agriculture.²

The three agricultural breakout sessions at the Blaine House Conference considered these facts and a number of policy proposals offered by the Department of Agriculture, Food, and Rural Resources. Conferees were generally supportive of the department's proposals, and recommended four policy initiatives: 1) agricultural water development, 2) farmland protection, 3) local agriculture development, and 4) commodity agriculture cost competitiveness.

Agricultural Water Development

In the past three years, over one-third of crop losses in Maine has resulted from drought. In the past, Maine farms received higher profits per unit of output, making episodic losses from drought less critical. Today, losses from drought can wipe out several years of gains. In addition, buyers of Maine products, both for fresh use and processing, demand consistent quality of product across seasons, making supplemental irrigation a necessity on many farms.

This demand comes at the same time Maine farmers are losing access to historical water supplies. In the past, farmers pumped water directly from streams or dammed streams to provide irrigation water sources. Today, regulations and demands for water for other uses substantially reduce farmers' ability to use these water sources. Furthermore, Maine has limited access to alternative water supplies. We lack large, easily accessible aquifers found in many agricultural states; we have no river systems dammed to provide irrigation water for agriculture; and concern for wetlands protection requires farmers to build costly upland reservoirs from which to irrigate. Lack of access to water deteriorates Maine agriculture's competitive position.

In response, the Department of Agriculture and concerned commodity groups supported legislation creating a cost-share program with farmers to develop farm water reservoirs. The program to date has invested just under \$1 million, providing irrigation to 2,838 farmland acres and preventing nearly \$9 million of crop losses. Bonds, which currently fund the program, are spent and there is a need to extend and formalize authority for the program. A recent survey indicates the need for an additional \$15 million over the next five years. In addition to developing water sources, many farmers also need help to develop efficient irrigation systems. These needs and responding strategies are presented in the 2003 *Growing Agriculture: Sustainable Agricultural Water Source and Use Policy and Action Plan*.

Irrigation is critical to the financial viability of Maine agriculture and water use is increasingly contested among different users. The state needs a clear policy on agricultural water use and programs to assure that farmers have adequate water availability and appropriate user techniques within that policy. The state should offer appropriate grants and loans to support farmer development of appropriate water sources and irrigation technology.

² Smith, Stewart. *Maine Agriculture: A Natural Resource Based Industry Constantly Adapting to Change*. University of Maine, Orono, ME, October 2003.

- 32 **Recommendation:** *Establish a statewide policy on water use for agricultural purposes – This would (a) Give agriculture the priority use and would be effective across all state agencies; (b) Establish an efficient permitting process for farmers developing water use projects; and (c) Formalize the current agricultural water management committee currently advising the department.*
- 33 **Recommendation:** *Build on the department’s existing agricultural water development program (a) Support \$15 million in bond issues over the next five years starting in 2005; (b) Expand the program’s purposes to include grants and loans for efficient irrigation systems, loans for water source development, and technical assistance for farmers; and (c) Increase the use of federal funds consistent with the increase in state support.*

Farmland Protection and Right to Farm

Maine agriculture depends on an adequately productive land base. In 1997, Maine had 1.2 million acres in farmland, a decline of more than 50% since 1964. According to the State Planning Office, between 1992 and 1997, Maine converted 33,560 rural acres per year to development, a rate four times that of the previous decade, and greater than the combined cropland in nine Maine counties. Residential development pressure extends the length and breadth of Maine, boosting market values above those generated by agricultural production. It has resulted in the loss of a substantial volume of land used by the livestock industry to pasture animals and produce feed crops.

Besides increasing the incentive for farmers to sell their land for development, especially when they leave farming, development pressures also increase the valuation of farmland for property tax assessment. The Farmland and Open Space Tax Law provides for the valuation of classified farmland based on its current use as farmland or open space, rather than its potential value for more intensive uses. Owners of farmland must work with their town’s assessor to enroll in the program. While the penalty for withdrawing from the program was reduced by the 119th Legislature (farmers pay back five years of tax savings plus interest), the program is still misunderstood and underused, resulting in sporadic requests for general assessment of farmland at current use values or other initiatives to reduce the property tax burden on Maine farms.

Donation or purchase of development rights in exchange for agricultural conservation easements is the primary technique used in Maine to permanently protect farmland. The Land for Maine’s Future Program (LMF), with the mandate to spend up to 10% on farmland protection efforts, is the primary state financing mechanism. It is complemented by the USDA Farm and Ranch Lands Protection Program (FRPP) which provides a cash match of up to 50% of the appraised value of the development rights. While support from the LMF and FRPP have had some notable success with protecting specific farmlands in southern and central Maine, more resources are needed to develop and implement a comprehensive farmland protection program that will assure the future land base for a viable agricultural industry throughout Maine.

Blaine House conferees urged the state to evaluate a number of options for protecting Maine’s farmland, including the use of long-term (30-50 year) lease easements and regional voluntary landowner programs, like agricultural districts, that offer tax benefits and purchase (or transfer) of development rights to those who enroll. They also suggested that Maine’s Right to Farm Law, which currently focuses on protecting farmers from nuisance complaints and promoting agricultural best management practices, might be more effective if incorporated into a comprehensive farmland protection program.

It is time to initiate a comprehensive policy and program that helps assure the availability of an adequate farmland base for Maine's future, without eroding the equity of Maine's farm families. This can be done by building on the work in place at the Department of Agriculture as outlined in *Saving Maine's Farmland: A Collaborative Action Plan* (2003), the result of a two-year planning process to address farmland loss statewide.

- 34 **Recommendation:** *Value working farmland – The Natural Resources Industries Steering Committee should establish a policy that recognizes the value of working farmland to the state and incorporate that policy into state land use initiatives, including tax reform.*
- 35 **Recommendation:** *Explore options for preserving farmland – The Department of Agriculture should work with the Agricultural Council of Maine and the Maine Agricultural Center at the University of Maine to determine the role of property tax, agricultural conservation easements, and long-term leases in farm viability, and recommend policies and programs to address those findings.*
- 36 **Recommendation:** *Build on current agricultural land protection programs – The Department of Agriculture should: (a) Establish measurable goals for agricultural land protection (# acres and # farms in specific regions), (b) Assess appropriate techniques for achieving those goals and identify the most appropriate role for the state, and (c) Expand current programs where appropriate.*

Local Agriculture Development

Local agriculture, where food products are produced and consumed locally, provides a great opportunity for growth in farms in Maine. Agricultural production totals about \$3.3 billion annually from farming 13% (~\$435 million), food processing 30% (~\$1 billion), and food distribution and retailing 57% (\$1.9 billion).

Maine households purchase about \$3 billion of food products and services annually, but less than 4% of that is from Maine farmers. Much more of the Maine food system could be supplied by local agriculture. If Maine farmers provided 10% of Maine food consumers' goods and services, farm income would increase by \$180 million annually – a 40% increase in farm income.

A growing local agriculture represents the best opportunity for maintaining Maine farms and for offering opportunities to entering farmers. While local agriculture has often been perceived to consist of small-scale and part-time farms, it represents over a quarter of Maine's farm income and a majority of Maine's farms. Its growth potential is substantial and can be bolstered by state policy that will require a new initiative in the Department of Agriculture. Local agriculture should be recognized as a substantial component of Maine agriculture, placed in the mainstream of the agricultural community, and receive appropriate policy and program support.

- 37 **Recommendation:** *Create a Local Agriculture Development program – The Department of Agriculture should: (a) Determine the potential for local agriculture; (b) Provide technical assistance, in cooperation with University of Maine research and extension, to farmers regarding Maine consumer preferences for foods and services, and the appropriate structure and operation of local agriculture farm systems; (c) Provide financial assistance to farmers entering into or expanding local agriculture, with a business development and implementation grants program of \$2 million annually and a*

revolving loan program of \$5 million funded from a bond issue (Note: Grants for business planning and modest implementation may be made through the Farms for the Future (FFF) program. Current FFF funding will require most of program capacity for 2 years. With some statutory language, the program could add a local agriculture component without compromising its current responsibilities. Loans may be made through FAME after a FFF review); (d) Support increase in value-added processing for local markets; and (e) Promote mechanisms that establish connections between consumers and producers.

Commodity Agriculture Cost Competitiveness

The viability of Maine's commodity agriculture depends on their cost competitiveness. While local agriculture is the fastest growing component of Maine agriculture, commodity agriculture, where farms grow commodities for regional, national, and international markets, still represents the largest component of Maine agriculture. Maine farmers produce annually about \$100 million of potatoes, \$100 million of milk, \$60 million of eggs, \$30 million of blueberries, \$25 million of nursery, \$20 million of vegetables, \$15 million of cattle, \$10 million of apples, and a number of commodities with lesser sales.

In round numbers, altogether, sales at the farm level totaled \$419 million in 2001. Thirty years ago Maine agriculture, with a slightly different mix of commodities, was \$400 million, representing a substantial decline in real value since the mid-1970s.

In addition to farm sales, commodity agriculture includes processing that converts raw agriculture products grown in Maine into processed products for sale to consumers or for further processing, especially for milk, blueberries, and potatoes. This industry segment represents about \$500 million of sales, or about 50% of total food processing in the state, and is vital to the viability of commodity farming.

Because commodity agriculture competes in national and global markets, cost competitiveness is essential for its viability. Maine is recognized as a relatively high cost farming area. The concern for cost competitiveness of Maine's commodity agriculture is broad. The Agricultural Council of Maine is currently evaluating a number of state policies that impact farming costs. The Governor's Task Force on the Sustainability of the Dairy Industry in Maine called for a Dairy Management Improvement Fund and other strategies to assist the dairy industry to reduce costs and improve competitiveness. Programs to overcome cost disadvantages will have to be carefully constructed to be effective, since many program impacts will be primarily delaying an inevitable decline in farm numbers.

While Maine is considered a relatively high cost agricultural state, appropriate state policies can assist Maine commodities to remain competitive, even as the number of commodity farms decline and remaining farms become larger. The conference closing panel summary listed a number of items affecting costs, but focused on those affected by government policy, including state policies, taxes, and health insurance. However, cost disadvantages for Maine farms extend beyond state policies.

38

***Recommendation:** Help commodity agriculture farms maintain or improve cost competitiveness – The Department of Agriculture should create a task force, with cooperation from the Agricultural Council of Maine and assistance from the University of Maine, to assess and define the role of state government in helping commodity agriculture farms maintain or improve their cost competitiveness.*

Fisheries and Aquaculture

We face a fundamental, overriding, and potentially disastrous problem in our fisheries today – a governance process that works against fishermen’s collective, rational interest in conservation. Decisions about conservation are usually avoided because no one can capture the benefits and, in addition, because we don’t have (and probably never will have) the scientific ability to know exactly the right thing to do. The result for the state has been the effective loss of most of its fisheries and impoverishment of the ecosystem of the Gulf of Maine. Even the fisheries that remain viable, such as the lobster fishery, are continually at risk because of the loss of ecosystem structure. We must address these issues. That process has begun in the lobster fishery, but it needs to be strengthened there and adapted and expanded to our other fisheries. If we don’t do this, we will never solve the conservation problem and are very likely to have no viable fisheries in the near future.³

Aquaculture has greater potential for significant growth than any other seafood industry; but it has generated controversy for a variety of reasons. Both industry proponents and those concerned about it for various reasons identify the climate of uncertainty as their principal concern. Aquaculture in Maine is symptomatic of increasing conflicts over coastal uses, real and potential. The challenge is to accommodate and balance the various interests and concerns for coastal development – of which aquaculture is the most conspicuous and urgent point of contention.⁴

The Governor’s Office, in conjunction with the Department of Marine Resources, has initiated three proposals that either parallel the efforts of the Blaine House Conference, or build on the ideas generated by the conference.

First, at the request of the groundfish industry, the Governor appointed a Groundfish Task Force. This group of 12 members will address both short- and long-term issues facing the groundfish industry. The Groundfish Task Force will submit its final recommendations to the Governor by June 30, 2003.

Second, the Governor supported the Legislature in its appointment of the Aquaculture Task Force, consisting of non-industry members who have some experience in public policy. The task force conducted an in-depth, six-month study of Maine’s aquaculture industry. They heard testimony and accepted comments from a wide range of stakeholders and carefully weighed a number of differing perspectives as part of their study. The task force presented its findings and recommendations to the Legislature and the Governor in January, 2004.

Third, the Governor has supported the department in undertaking a long-range planning process that will develop a vision, strategy, and goals, with an eye to better positioning it for the future. A review of funding needs and sources will be part of this plan.

Groundfish

The breakout sessions at the conference indicate that there is considerable concern in three areas: 1) the short-term impacts of federal regulations (Amendment 13) on Maine’s groundfish industry; 2) a need and desire to work on the long-term root cause of the problem, which is to build more flexibility and balance into the Sustainable Fisheries Act; and 3) the competitive disadvantages of fishing out of Maine ports (lack of healthcare benefits, distance to fishing grounds, sales tax on fuel, unemployment compensation, and landing of dragged lobsters were all mentioned as disadvantages).

39

Recommendation: *Create the best possible outcomes for Maine fishermen from Amendment 13 – The Department of Marine Resources should continue*

³ Wilson, James. *Maine’s Fisheries*. University of Maine, Orono, ME, October 2003.

⁴ Apollonio, Spencer. *Aquaculture in Maine: A Policy for a Sustainable Industry*. Boothbay, ME, October 2003.

its effort to work within the federal Council system to create the best possible outcomes from Amendment 13 for Maine fishermen.

40 **Recommendation:** *Support the Groundfish Task Force – Where appropriate, adopt its findings and recommendations.*

41 **Recommendation:** *Restore the balance between conservation and resource use in the Sustainable Fisheries Act – Support the department’s effort to work with Maine’s Congressional Delegation and other New England states to restore a balance between conservation and resource use in the Sustainable Fisheries Act.*

Consensus Building and DMR Long-range Planning Process

In the breakout sessions, there was support for consensus building both within and across industry sectors. There was also support for the Department of Marine Resources to undertake a long-range planning process. These two topics were given the highest priority in a straw poll taken at the conference. Participants also expressed:

- Concern that there hasn’t been adequate funding for the Department of Marine Resources
- A need to take a more coordinated approach to fisheries management that would look at fisheries management based on ecosystem principles rather than a single species approach.
- A need for greater public awareness of fisheries issues, noting that awareness needs to go beyond just those who are participating in fisheries
- A need to build consensus within and across sectors, particularly to address issues that affect more than one sector.
- Broad support for initiating a recreational fishing license, revenues from which would support public water access, research, and law enforcement

42 **Recommendation:** *Facilitate consensus-building within the recreational and commercial fishing communities – The Department of Marine Resources should undertake a new role as a facilitator to build consensus within the recreational and commercial fishing communities. The department should work together with the groundfish and aquaculture task forces and other fishing industry groups to develop a common vision for Maine’s marine resources.*

43 **Recommendation:** *Direct the Department of Marine Resource to undertake a long-range planning process – The Department of Marine Resources should undertake a long-range planning process, with industry input, to review the department’s mission, goals, and objectives to direct the department’s resources strategically. The process should be consistent with efforts already underway to create sustainable groundfish, aquaculture, and recreational fishing industries in Maine. It should also include a review of funding sources and consideration of a recreational fishing license.*

Working Waterfront and Coastal Access

All the breakout sessions concurred that a need exists to ensure sufficient docks and unloading facilities for commercial fishing. Since the working waterfront consists of both public and private facilities, a multi-pronged approach is best to address this issue.

- 44 | **Recommendation:** Support legislation to add “fisheries” to the list of purposes for which a conservation easement may be established.
- 45 | **Recommendation:** Support additional bond funding for the Small Harbor Improvement Program (SHIP) – These funds pay for repair and maintenance of public water access facilities. Funding for SHIP is included in the proposed June 2004 transportation bond referendum.
- 46 | **Recommendation:** Support state funds for acquisition of public water access sites through the Land for Maine’s Future Program.
- 47 | **Recommendation:** Explore the possibility of an infrastructure bond package, to support commercial water access and key working waterfront facilities.

Marine Sciences Research

Participants in the aquaculture and fisheries breakout sessions recognized that Maine has the potential to be a leader in cold water marine research. There was broad consensus that:

- there is a need for additional funding for research
- that the research being done needs to be more industry-driven
- that there needs to be more public awareness of the research being done
- that there needs to be more coordination among research institutions

- 48 | **Recommendation:** Set priorities for cold water marine research – The Department of Marine Resources should undertake a collaborative, priority-setting process for research that would include the participation of research institutions and industry members. The Department of Marine Resources should convene a meeting with the University, Maine Technology Institute, industry representatives, and others to discuss how the University might focus its research activities on topics of the greatest need for Maine’s marine sectors; including establishing a research agenda specifically to assist the state with management proposals that assure access by Maine fishermen to regulated resources. This effort should also foster better communication among the University, marine research institutions, and industry.
- 49 | **Recommendation:** Expedite the plan for the Maine Institute for Cold Water Aquaculture at the University of Maine –The proposed Institute would greatly strengthen aquaculture research.
- 50 | **Recommendation:** Support bond funding for cold water marine research in the Gulf of Maine.

Aquaculture Policy

The most pressing aquaculture topic at the March summit and November conference was a desire for a strong, clear message that aquaculture is a viable and potentially sustainable industry that is supported

by the state. In addition, there was a desire to develop a regulatory and economic framework that sustains the coastal environment, provides economic opportunity, and addresses legitimate conflict. The Aquaculture Task Force has tackled these topics and has made its final recommendations to the Governor and the Legislature. Their six-month process and resulting report, which included extensive public input, will help inform public policy discussions around marine aquaculture issues in Maine. The report provides a vision for marine aquaculture in Maine and proposes a series of principles to guide the development of aquaculture in the future. The vision and principles will be considered by the Legislature in the Second Regular Session of the 121st Legislature.

51 | **Recommendation:** *Support the vision and principles for aquaculture established by the Aquaculture Task Force – Support the Aquaculture Task Force’s stated vision and principles that a working waterfront is critical to Maine’s coastal Future and that marine aquaculture will be a part of Maine’s working waterfront.*

52 | **Recommendation:** *Carefully review and, if appropriate, adopt the Aquaculture Task Force’s recommendations – 95 recommendations address bay management, leasing processes, impacts of aquaculture on other uses, ecological health, and information, research, and industry promotion. The Aquaculture Task Force, and its associated stakeholder advisory panel, was charged with determining how to balance the range of potential uses of state waters and with planning for the growth of marine aquaculture.*

Public Education and Investment in Aquaculture

Conference participants cited a need to increase and improve public information about aquaculture. Aquaculture is a complex and controversial topic with consequences on the local level. Representatives of local communities voice concerns about needing to be better informed about aquaculture developments, the regulatory process, environmental monitoring, and so forth. Conference participants also commented on the need for increasing technical support for aquaculture entrepreneurs

53 | **Recommendation:** *Develop and implement an aquaculture public information plan – The Department of Marine Resource should convene aquaculture agencies and organizations to develop a public information plan. To accomplish this, they should engage the Maine Office of Tourism and Maine Tourism Commission, State Planning Office, and Working Waterfront Coalition in developing an information campaign describing the many benefits of Maine’s multi-use waterfronts and the importance of the industry to Maine’s economy. Encourage the Maine Congressional Delegation to secure funds for public information about aquaculture.*

54 | **Recommendation:** *Encourage other state agencies to support aquaculture:(a) The Department of Economic and Community Development should include aquaculture in its ad campaigns and provide outreach to aquaculture companies about available business development programs; (b) The Department of Agriculture should include aquaculture in its promotional programs; and (c) The Maine Technology Institute should allocate some of their grant funds to technology transfer activities that would allow aquaculturists to travel and learn from aquaculture being done in other jurisdictions.*

Forestry

Maine's forest resource and forest-based industry have entered this century to find new and compelling dynamics at work. Changes in the corporate world and financial markets, seemingly insatiable demands for land in southern Maine, and surging foreign competition create new challenges and opportunities. Our traditional views about the Maine woods and the industry, and our established policies are not capable of coping with these new challenges and realizing these opportunities. An entire industry in being re-created before our eyes, and we do not have the operator's manual.⁵

The Blaine House Conference generated an array of positive ideas to benefit the long-term health and vitality of the forest industry in Maine. To ensure that the hard work and creativity captured by the conference will be carried forward, we suggest five specific vehicles through which the ideas and recommendations can be refined and implemented.

First, the Governor has called for the creation of an Advisory Council on the Sustainability of the Forest Products Industry in Maine to address the circumstances confronting the industry and the economic and social communities closely tied to it; and to develop policy recommendations to support and enhance the long-term sustainability of the industry. The Council will submit recommendations to the Governor in August, 2004.

Second, the Governor has presented the "Maine Woods Legacy," a policy initiative to conserve the cultural, economic, ecological, and recreational values in Maine's North Woods. This provides a policy context for a number of concerns and ideas generated at the conference

Third, the Maine Forest Service is initiating the Future Forest Economy Project, to assess the opportunities and challenges facing Maine's wood-using industries over the next 20 years. More specifically, this effort will identify: what is needed to maintain Maine's existing wood-using industries; what are the growth opportunities in existing and potential new wood-using industries; and what Maine state government and the industry itself might do to improve the prospects for the forest products industry. The results of this analysis will help inform the work of the Advisory Council on the Sustainability of the Forest Products Industry in Maine and is due to be completed in summer 2004.

Fourth, the Maine Tourism Commission recently created a standing Natural Resources Committee, consisting of representatives from throughout the tourism industry, key state natural resource agencies, private landowners, and a number of independent stakeholders. The committee will look at the relationship between the tourism industry and the use and protection of Maine's forest resources.

Fifth, increasing certification of Maine's forest lands and green purchasing by the state became the centerpiece of Maine's Forest Certification Initiative, announced in July 2003, with a goal of 10 million acres of certified forest by 2007. This pioneering partnership between the state of Maine and the forest products industry, landowners, and workers will bring prominence to the high quality of Maine-made products. The Department of Conservation is hosting an Advisory Committee to develop ideas to expand the certification initiative. In early 2003, the Maine House and Senate passed a Joint Resolution calling for mills to procure green-certified fiber and to track these acquisitions.

This said, there are ten major areas that emerged from Blaine House Conference to benefit the health and vitality of the forest industry in Maine, as follows:

Logging Capacity and Forest Industry Infrastructure

⁵ Irland, Lloyd. *This Evergreen Empire: Maine's Forest Resources and Industries in a New Century*. The Irland Group: Wayne, ME, October 2003.

Many of forestry breakout groups identified the need to strengthen the “infrastructure” links that support the forest industry. Critical at this time is the shrinking logger workforce and the effect it has on bringing fiber to the mills. A number of the groups suggested specific actions to recruit individuals into the logging business.

- 55 | **Recommendation:** *Identify strategies to recruit and retain loggers – The Governor’s Advisory Council on the Sustainability of the Forest Products Industry in Maine will identify strategies to support the workforce infrastructure needed to maintain a vibrant forest products industry. This should include examining issues relating to the re-cruitment and retention of loggers, as well as other labor force needs.*

Energy Costs

A recommendation prepared for the Blaine House Conference recommended that energy costs be reduced. It urged the state to encourage and support forest products businesses to review options for decreasing high industrial power costs, which includes using existing energy resources as efficiently as possible, improving efficiencies wherever possible, and self-generating power to eliminate costs associated with transmission and distribution of power.

- 56 | **Recommendation:** *Examine ways to reduce energy costs – The Governor’s Advisory Council on the Sustainability of the Forest Products Industry should examine ways to reduce energy costs, including using existing energy resources and investigating options for self-generation. The Maine Forest Service should investigate creative ways for the Maine forest products industry to reduce its energy costs through the Future Forest Economy Project.*

Transportation Costs

Forestry sector breakout groups identified reducing transportation costs as a high priority. They encouraged increasing the efficiency and cost-effectiveness of rail transportation, including a collaborative team to identify and address obstacles to rail transportation that meets the needs of Maine’s woods-products sector.

- 57 | **Recommendation:** *Examine ways to reduce transportation costs – The Governor’s Advisory Council on the Sustainability of the Forest Products Industry in Maine should consider strategies to improve the quality, productivity, and accessibility of Maine’s timber supply, including efficient and cost effective transportation.*

Positive Business Climate and Tax Policy

All the forestry sector breakout groups identified the importance of leadership by the Governor and Legislature in promoting a positive business climate including predictable policies that support forest products industries and improvements in tax and regulatory arenas to stimulate new investment in forest products businesses. These factors are viewed as necessary to attract new capital investment. The number of taxes, the amount of taxes, and the stability and predictability of tax policy were consistent concerns expressed at the conference.

- 58 | **Recommendation:** *Examine tax policies and their impact on investment in forestry – The Governor’s Advisory Council on the Sustainability of the Forest*

Products Industry in Maine should examine the state's tax policy and regulatory framework to identify factors that impede capital investment in new equipment and technology, including financing programs, environmental regulations, and tax policies.

59 **Recommendation:** *Analyze how to make Maine's forest products industry more competitive – The Future Forest Economy Project should identify specific steps to create, sustain, or enhance growth opportunities, including identifying realistic recommendations for policy and program changes where existing policies and programs appear to hinder the state's goal of having the most robust forest products industry possible.*

60 **Recommendation:** *Determine the attitudes of Maine citizens regarding the forest products industry – The Future Forest Economy Project should determine the attitudes of Maine citizens regarding the forest products industry, their expectations and desires regarding its future, and attitudes regarding measures which might be taken to enhance the industry.*

Connections between Managed Forests and Outdoor Recreation and Tourism

An important theme that emerged before and during the conference involved enhancing the connections between managed forests and outdoor recreation and tourism. Some of the forestry sector groups highlighted this concept.

61 **Recommendation:** *Develop partnerships between managed forests and tourism and outdoor recreation – The Governor's Advisory Council on the Sustainability of the Forest Products Industry in Maine should examine ways to develop creative partnerships between managed forests and outdoor recreation/tourism. The Department of Conservation should work with the Departments of Economic and Community Development and Inland Fisheries and Wildlife in developing a long-term plan for linking tourism and outdoor recreation with Maine's green forest and forest products industry.*

62 **Recommendation:** *Replenish the Land for Maine's Future program – The Land for Maine's Future (LMF) Program has been successful in providing funding for forest conservation easements to help conserve large tracts of forest land that are available as a sustainable, long-term source of wood supply. Nearly 250,000 acres of working forest easements are either conserved or are pending, and additional working forest easements are proposed that could ensure tens of thousands of additional acres remain available for forest management. A land bond to replenish LMF in 2004 would continue this effective strategy that has widespread public support.*

Branding and Certification

Many of the forestry sector groups endorsed certification of woodlands in Maine as a means of capturing a larger market share and attracting more investment to a state "branded" by its commitment to sustainable forestry. Many participants viewed branding Maine's natural resource-based industries as a positive effort and called for a combined effort across natural resource sectors.

63 **Recommendation:** *Use the state's Forest Certification Initiative to enhance marketing of Maine's forest products – The Department of Conservation should continue to implement Maine's Forest Certification Initiative and ideas*

emerging from the Governor’s Certification Advisory Committee and discuss the ideas emerging from that effort with The Governor’s Advisory Council on the Sustainability of the Forest Products Industry in Maine.

Competitive Advantages of Maine’s Wood Species and Characteristics

Many of the forestry groups endorsed pursuing wood by-product utilization and expanding research and development focused on the unique attributes and competitive advantages of Maine’s wood species and characteristics. On a long-term basis, emerging markets for carbon sequestration may provide opportunities for forest landowners.

64 | **Recommendation:** *Focus on the unique attributes and competitive advantages of Maine’s wood species to grow this industry – The Future Forest Economy Project will identify steps to create, sustain, or enhance growth opportunities for existing and potential new wood-using industries and existing and potential products, product areas, and companies that offer the best opportunities for Maine to encourage as part of a forest industry retention and development strategy. The results of this analysis should be provided to the Governor’s Advisory Council on the Sustainability of the Forest Products Industry.*

65 | **Recommendation:** *Evaluate the potential of carbon trading – The Department of Environmental Protection has convened the “Maine Greenhouse Gas Initiative Stakeholder Advisory Group” to investigate the role that emerging markets for carbon sequestration might play in enhancing the returns to Maine landowners and improving forest management in Maine. The Maine Forest Service has applied for federal funding to inform the work of this group.*

Sharing Relevant Information

Many of the conference discussions heralded the significance of sharing information better within the industry. Information to connect investors with business was viewed as important. This also included reaching out to the next generation with good educational and professional programs and tracking progress towards a sustainable vision.

66 | **Recommendation:** *Create a “Market Development Alliance” between forest products associations, the University, the Maine Technology Institute, and the Departments of Conservation and Economic and Community Development to focus the industry on entrepreneurship and develop outreach and education programs and mentoring opportunities.*

67 | **Recommendation:** *Track forest industry information needs – The Department of Conservation should obtain and update relevant information about the forestry industry, establish benchmarks to monitor its health and vitality.*

Trade Policy

A trade policy that provides for a fair and competitive world market is key to maintaining Maine’s manufacturing base, encouraging re-investment in existing manufacturing facilities, and attracting new businesses to Maine. Conference participants cited current trade policies combined with the high value of the US dollar as factors contributing to recent declines in manufacturing. While trade policy is a federal government responsibility, Maine should make its voice heard in Washington.

Recommendation: *Examine trade policies that contribute to declines in forest manufacturing – The Governor’s Advisory Council on the Sustainability of the Forest Products Industry in Maine should examine trade policy issues and make recommendations to the state’s Congressional delegation.*

Tourism and Outdoor Recreation

Tourism is important to the economy of every Maine region. It directly generates nearly seven percent of Maine’s gross state product. With over 10 percent of Maine’s jobs, it is also the state’s largest employer. Tourism’s economic complexity is reflected in the fact that it is not a single, well-defined industry, but rather thousands of diverse businesses, from restaurants to fishing guides and gas stations that derive some or all of their revenues from leisure travelers.

All Maine tourism depends directly or indirectly on the state’s natural beauty and attractions, ranging from clear mountain lakes to fresh-caught lobsters. Tourism will flourish in the future only if this rich and multi-faceted natural endowment is sustained. Tourism can play an important part in preserving, protecting, and restoring Maine’s natural resources and the extractive industries that depend upon them. In turn, agriculture, aquaculture, fishing, and forestry supply tourism products and shape the appealing settings that travelers seek: active fishing villages, coastal vistas, open farmland and orchards, and a vast forest domain with all its mountains, lakes, and wildlife habitat.

Looking beyond tourism’s current contributions to Maine’s economy, rural community vitality, and other resource-based industries, many segments of the tourism economy have potential for sustainable growth *if* they are effectively planned, managed, and promoted.⁶

Higher Education, Training, Research and Small Business Extension

The tourism and recreation breakout groups at the conference underscored the importance of foundational investments for future economic development of Maine’s tourism and recreation economy. The following observations were particularly compelling:

- Several recreation and hospitality programs already exist within the University and Community College Systems. We should facilitate the creation of a comprehensive, statewide tourism education, training, research, and extension program. The broad program should also extend to high school and vocational school curricula, as well the state’s private, higher educational institutions.
- The establishment of high-level tourism and recreation curricular should be designed to dovetail with future staffing needs for university research and extension activities.
- A core feature of all program offerings should be an emphasis on tourism’s potential contribution to Maine’s environmental, economic, and community sustainability.
- Involving tourism trade associations in curriculum development and internship programs will strengthen the connection between formal education and emerging career opportunities in Maine. Improving graduates’ chances for career success in an expanding segment of Maine’s service economy will also help to stem the state’s “brain drain.”

Recommendation: *Convene a development committee to develop degree, research, and extension programs in Hospitality and Recreation – The State Planning Office should work with the University of Maine and Maine*

⁶ Vail, David. *Sustaining Nature-Based Tourism in Vacationland*. Bowdoin College: Brunswick, ME, October 2003.

Community College System to convene a committee of representatives from the University and Community College systems, the Maine Office of Tourism, the Maine Tourism Commission, and key representatives of tourism and recreational business organizations, to develop the elements and requirements of associate's, bachelor's, and professional degrees in the hospitality and recreation field. In addition, a high-level center of ongoing basic and applied tourism research with a related extension program should be established within the University System. The research and extension program will provide market and product information and technical assistance to Maine's tourism industry. The degree, research, and extension programs will also seek to enhance economic linkages between the tourism industry and fisheries, aquaculture, agriculture, and forestry, as well as with the creative economy.

Clarify and Strengthen State Agency Roles and Responsibilities

The breakout groups responded positively to the recommendation that there be greater interagency collaboration in tourism/recreation planning and management because, unlike agriculture, forestry, and marine resources, there is no single government agency dedicated to tourism development and management. The following observations were of particular interest:

- We must move boldly beyond the limited role of marketing and promoting Maine as a travel destination. We need to develop and deliver a range of incentives and support services to the businesses, communities, and tourism regions that seek to grow tourism and recreation.
- Many state government agencies have key roles to play, both in supporting and coordinating tourism and recreation development. At present, the message is not always consistent across agency lines, and is at times seen as contradictory. This creates a degree of mistrust or confusion among private interests that frustrates economic development efforts.
- Tourism development, particularly in the Northern forest and Downeast regions, would be enhanced if there were an overarching, recreational management and promotion plan for Maine's evolving mix of public, private, and trust lands. Businesses, communities, and regions could then plan and invest with greater confidence that Maine will continue to offer an array of recreational opportunities unrivalled in the Northeast.
- It is necessary to define a clear chain of leadership and a clear coordination structure among the state agencies involved in promoting sustainable tourism and recreation development. The lead agency will require a substantial broadening of its staff expertise and overall capacities, if Maine is to achieve sustainable tourism and recreational development.
- There are numerous incentive opportunities and opportunity zones for other industry development interests; similar offerings should be made available to tourism businesses if expansion into the underdeveloped areas of the state is to be realized.

70

Recommendation: *Broaden the Department of Economic and Community Development tourism capabilities: (a) The Department of Economic and Community Development should assess its present capacity to deliver technical assistance and business development support for tourism and recreation, as it relates to businesses, communities and tourism regions (this will include an evaluation of business development and tourism staffing and resources, both in-house and in associated economic development agencies and councils of government); (b) The department's statutory mandate should be amended to specifically include tourism planning and development.*

- 71 **Recommendation:** *Improve tourism and recreation business incentives: (a) The Department of Economic and Community Development should evaluate the effectiveness of its business support and economic development offerings in meeting tourism and recreation business needs, and promoting creation of quality jobs in tourism and recreation (this would include developing targeted incentives using the Pine Tree Zones model).*
- 72 **Recommendation:** *Coordinate recreational land-use management: (a) The State Planning Office should convene a taskforce of public, private, and land trust representatives (including relevant state land management agencies such as the Department of Inland Fisheries and Wildlife and the Bureau of Parks and Lands) to craft a comprehensive inventory of present and currently proposed protected lands. (b) The Department of Conservation should convene a representative body of state officials, private landowners, conservationists, and recreational interests to formulate a set of guidelines for sustainable, multiple-use land management. These should be made relevant to both individual ownerships and larger landscapes, and take into consideration landowners' rights, industry needs, recreation industry interests, public access goals, and long term resource stewardship requirements. A key objective is to identify potential "recreation destination clusters." (c) Ensure passage of a new Land for Maine's Future bond, with an emphasis on maximizing recreational complementarities between existing protected lands and proposed new acquisition and easements.*

Implement Sustainable Tourism Economic Development Planning

All breakout groups agreed that we must improve our understanding of the capacity for sustainable tourism and recreation growth, in both underdeveloped and highly developed Maine regions and localities. Of particular importance are the following observations:

- Assessment of the resource base for creating new tourism opportunities and the infrastructure to realize them should be broad-based including: transportation, water and waste systems, public service needs, lodging, food, cultural and heritage resources, agri-tourism opportunities, and hunting and fishing potential.
- Successful tourism planning requires recognition of the complex interdependencies, both complementary and conflicting, between tourism and other natural resource-based industries.
- Regional tourism organizations' capacity to support consistent and effective marketing needs to be assessed.
- Regional and community tourism planners should have access to information about best tourism business practices and a comprehensive base of research related to sustainable tourism and economic growth opportunities.
- Tourism planning processes should involve not only communities, regions, and businesses, but also representatives from the state agencies that develop and direct programs supporting plan implementation.
- A consideration in choosing among tourism opportunities is whether high value or high volume will contribute most to development that is environmentally and socially sustainable.
- Any tourism planning process should recognize the role of individual communities in determining the appropriateness of particular types of tourism and recreation growth.

73 **Recommendation:** Establish processes to bring sustainable development criteria into tourism planning: (a) The State Planning Office, in cooperation with the Department of Economic and Community Development and the Maine Tourism Commission's Natural Resources Committee, should develop a planning matrix or framework to facilitate evaluation of various tourism development opportunities in terms of their impact on environmental and social carrying capacity; the planning framework should be useful to communities and regions as they develop their strategies for tourism and recreation development; and (b) Maine's economic development districts, councils of government, and regional tourism districts should evaluate proposed tourism initiatives in terms of the framework and criteria.

74 **Recommendation:** Increase the state's capacity to provide technical assistance to municipalities seeking tourism industry growth – Assistance should be provided in form of tools to assess industry economic, social, and environmental benefits and costs, to determine carrying capacity limits, and to encourage industry growth accordingly. The technical assistance provided should respect the needs and interests of the local municipality. With additional resources, this could be performed by the State Planning Office.

Comprehensive Branding Campaign

The recommendation to establish an overarching branding theme for all of Maine's natural resource sectors stimulated a lively dialogue. While there is a general consensus that a branding message with clear meaning and powerful impact in the marketplace would be immensely valuable, attaining a single common message needs more discussion. The following observations were particularly insightful:

- States such as Vermont have had some success in developing a unified branding campaign. They emphasize and monitor development of a wide range of high quality tourism and recreation services to back up the branding effort.
- Maine tourism already has branding in place, as a result of the Office of Tourism's and Department of Agriculture's past efforts. Any new branding effort should capitalize on that.
- The branding message must be sufficiently flexible and comprehensive to represent all sectoral and regional interests, as well as all tourist seasons.
- A comprehensive branding effort will require coordination and consolidation across several state agencies.
- The agencies' current promotional resources are probably not sufficient to accomplish such a branding effort.

75 **Recommendation:** Explore a comprehensive branding campaign: (a) The Department of Economic and Community Development should establish an interagency task force including representatives from the Departments of Agriculture, Conservation, Inland Fisheries and Wildlife, Marine Resources, and Transportation, and the Historic Preservation and Maine Arts Commissions to explore the feasibility of a unified branding program; and (b) If feasibility is established, the department should oversee the process of developing and implementing a marketing plan with the branding program.