MAINE’S AG ECONOMY

Maine Farm Bureau
Annual Meeting

November 9, 2019

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Demographics
Maine: A Demographic Snapshot

  - 42nd largest in US

- 2010 – 2018 Population Change: +0.8%
  - 42nd in US (ahead of WV, IL, CT, VT, RI, MS, NY, PA)

- 2018 Median age: 44.9 years
  - Oldest in US

- 93.1% White, Non-Hispanic
  - Highest percentage in US

Source: U.S. Census Bureau, Population Estimates Program
In 2018, Maine’s rate of total population increase ranked 34th and the rate of total net migration ranked 19th in the U.S.

Other states in the U.S. are starting to see their populations age and in-migration slow.

Maine has been at the leading edge and now other states are catching up.
Components of Population Change, Maine

<table>
<thead>
<tr>
<th>Year</th>
<th>Births</th>
<th>Deaths</th>
<th>Domestic Migration</th>
<th>International Migration</th>
<th>Net Population Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>+518</td>
<td>-459</td>
<td>-150</td>
<td>+72</td>
<td>+3,341</td>
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<tr>
<td>2012</td>
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<td>2013</td>
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<td>-100</td>
<td>+43</td>
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<tr>
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<td>-120</td>
<td>+52</td>
<td>+5,262</td>
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<tr>
<td>2016</td>
<td>+3,693</td>
<td>-459</td>
<td>-130</td>
<td>+53</td>
<td>+5,251</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Population Estimates Program
Labor Force and Employment
According to the U.S. Bureau of Labor Statistics, the number of 25-34 year olds working in the agriculture industry has increased by 55% since 2010.
Maine Civilian Labor Force

Labor force has been flat since 2005

Added 50,000 to labor force every 9 years

Added 50,000 to labor force every 6 years

Source: Maine Department of Labor
Total Nonfarm Employment (in thousands)
History and CEFC forecast

Pre-recession peak (2007)
New record high (2018)

Sources: Maine Department of Labor and Consensus Economic Forecasting Commission report, November 1, 2019
Industries Projected to Gain the Largest Number of Jobs in Maine Between 2016 and 2026

- Hospitals: 3,453
- Ambulatory health care services: 2,726
- Administrative and support services: 2,009
- Food services and drinking places: 1,506
- Nursing and residential care facilities: 947
- Accommodation: 220
- Beverage and tobacco product manufacturing: 204
- Waste management and remediation services: 202
- Animal production: 200
- Chemical manufacturing: 186

Source: Maine Department of Labor, Center for Workforce Research and Information
Average covered employment in agriculture, forestry, fishing and hunting was about 7,000 people in 2018, accounting for around $280 million in wages:

- 2,600 in crop production ($76 million in wages)
- 1,000 in animal production ($34 million in wages)

But... there are a LOT of self-employed and small family farms not covered here.
An estimated 16,800 people worked in agriculture, forestry, fishing and hunting (includes self-employed)

Source: U.S. Census Bureau, 2018 American Community Survey 1-year estimates
Location Quotients (LQs)

- A way of measuring the amount of specialization in a particular geography’s economy

- An LQ of more than 1 means higher specialization than the U.S. as a whole
Crop Production Employment LQs

- Maine is somewhat more specialized in crop production employment than the U.S. (LQ of 1.1)
  - Aroostook County has highest specialization (7.4)
  - Penobscot County has lowest specialization (0.3)

- Vegetable and melon farming is even more specialized in Maine (LQ of 2.85)
  - Aroostook County reaches 42.2
  - Also high in Oxford (6.7), Lincoln (4.9), and Sagadahoc (3.6)

Source: Calculations based on 2018 QCEW data from U.S. Bureau of Labor Statistics
Animal Production Employment LQs

- Animal production has lower LQs, with only 0.9 statewide (less specialized than the U.S.)
  - Lincoln (3.4) and Somerset (3.4) counties are more specialized

- Aquaculture is an outlier within animal production
  - LQ of 9.1 statewide
  - 47.0 in Hancock
  - **112.2** in Lincoln

Source: Calculations based on 2018 QCEW data from U.S. Bureau of Labor Statistics
Income and GDP
Percent Change in Real Personal Income, Maine
2009-2018 and forecast to 2023

Sources: U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; CEFC report, November 1, 2019
Maine Real Gross Domestic Product (millions of chained 2012$)

- Total Real GDP (left axis)
- Agriculture, forestry, fishing and hunting
- Farms

Source: U.S. Bureau of Economic Analysis
Strategic Planning

Process Flow

TRENDS ANALYSIS
PRELIMINARY SWOT
VISION STATEMENT
STRATEGIC GOALS
BARRIER ANALYSIS
SOLUTION PLANNING
SWOT
STRATEGIC DEPLOYMENT
ACCOUNTABILITY
TRACKING METRICS
Strategic Goals

Equitably grow the real average annual wage from $45,370 to $49,900 (10.0%) by investing in long-term talent development.

Drive the real dollar value added\(^1\) contribution per job from $87,160 to $95,876 (10.0%) while protecting Maine’s quality of life by focusing on sectors of promise in each region of the state.

Attract 75,000 people to Maine’s workforce. The target addresses the increase in people entering retirement age and the current shortage.

\(^1\) Value added is GDP/employment
Key Themes

- Talent is the economic driver at the heart of the plan.
- Maine must grow its workforce to grow the economy.
- Business climate must be stable and predictable to grow GDP.
- Innovation is key for growth.
- Ubiquitous connectivity enables access for economic growth and is required to attract talent.
- Modern infrastructure needed for business to thrive and to retain and attract talent.
Agriculture shows up as a key sector in identifying areas of promise for Maine

Both directly:

- Blueberry farming
- Potato farming
- Greenhouse farming
- Aquaculture

And indirectly:

- Fruit and vegetable preserving
- Specialty food manufacturing
- Breweries and distilleries
- Full-service restaurants
Contact Information

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