Economic Recovery Committee
Manufacturing and Natural Resources-Based Industries Subcommittee
Friday, May 29, 2020 – 9 am

1. The following Subcommittee members were in attendance on the call:
   - Chair: Larry Shaw, MMG Insurance
   - Jesse Connolly, Office of Representative Chellie Pingree
   - Susan Hammond, Four Directions
   - Sam May, Maine Harvest Federal Credit Union
   - Alan Perry, Farm Technologies Network
   - Steve Schley, Forest Opportunity Roadmap (FOR)/Maine Initiative
   - Matt Schlobohm, Maine AFL-CIO
   - Staff: Mary Grace Schley, Maine Department of Economic and Community Development

2. Sector Impact Overview:
   - Forestry: Forestry is an $8.5 billion annual industry in Maine, representing one out of every 24 jobs in the state. The industry is looking to grow to $12 billion by 2025 by adding value to the currently available underutilized fiber.
     - Industry has questions regarding potential testing requirements – will industry be responsible for the cost and procurement of testing?
     - The current $600 federal bonus on unemployment is making workforce attraction difficult. Forest product manufacturing is seeing less efficiency due to needs regarding having backup employees trained in case of illness. Childcare is an additional concern for the workforce as children are not in school.
     - The markets for end products are shifting – are there advantages to pursuing certain markets over others?
     - The explosion at the Jay paper mill is an additional complicating factor to the supply chain at the moment, as it represents 15-20% of the economic flow of the sector.
     - **Action Item:** Forestry will be the focus of the Subcommittee’s first sector deep dive meeting next week.

   - Agriculture: In 2017, there were 7,600 farms in Maine with 13,400 producers, whose products sold represented $667 million to the market.
     - The impact of the coronavirus has emerged with a few common challenges:
       1. Changing end markets, particularly given closures of restaurants and schools. Producers have worked to pivot their marketing channels and offerings.
       2. Labor management, particularly given federal unemployment bonus.
       3. Supply chain frustrations, including processing and distribution challenges.
     - Given the time horizon of agriculture and the amount of time between planning and harvesting a crop, the impacts of decisions made during the pandemic will not be seen until next year.
     - **Action Item:** Farming will be the focus of the Subcommittee’s second sector deep dive meeting next week.
• Manufacturing: From 2018 figures, manufacturing represents $6.3 billion in output to the Maine economy, employing one out of every 12 individuals in the state.
  o The manufacturing sector has seen a wide variety of impacts, largely dependent on the end market for the goods.
  o A survey of manufacturers highlighted some initial priority areas of assistance:
    1. Clear, long-term plan for recovery
    2. Direct payments (grants)
    3. Tax relief
  o Industry is particularly interested in workforce development through engagement of individuals at a younger age and providing skills training.
  o The Maine Manufacturing Extension Partnership, Manufacturers Association of Maine, and the Advanced Manufacturing Center at the University of Maine received federal funding to conduct a sector assessment over the next few months. The Subcommittee will engage these industry leaders.

• Fisheries: The Subcommittee is aware that the marine economy is beginning its work next week on assessing the effect of the coronavirus on the fishing supply chain and will engage experts when that work has started next week.

• With all the Subcommittee’s sectors, there is a strong opportunity for leveraging the Maine brand to create additional value.

3. Future meetings:
   • The Subcommittee will begin meeting twice a week at a schedule to be determined.
   • Next meeting: Wednesday, June 3, 2 pm