

GLOBALVIEW

MAINE INTERNATIONAL TRADE CENTER QUARTERLY NEWSLETTER

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MAINE IS INTERNATIONAL: Focus on St. Croix Region

On the eastern edge of Maine – the easternmost point of the United States, in fact – is an area known for its natural beauty and the second-highest tides in the world after the neighboring Bay of Fundy. Less well-known is how much of an impact international trade has on the St. Croix region, which stretches from Baileyville to Lubec. With trade infrastructure like the busy Calais-St. Stephen border crossing and the Port of Eastport, the home of Maine's first Chinese investment (St. Croix Tissue in Baileyville), and global small businesses like Scythe Supply in Perry, the communities along the river down to Passamaquoddy Bay play significant roles in the state's international business success.

Port of Eastport



Chris Gardner wants you to see the globe in a whole new way – from the top down.

When you look at it from that point of view, Eastport doesn't look like a remote outpost on the US map but rather, the very first stop on the East Coast for ships coming from Europe, the North Atlantic, and eventually, as more shipping lanes open up, even Asia.

"I think if we were serious, Maine could have a future as the loading dock of the East Coast of the United States," says Gardner, the Director of the Eastport Port Authority since 2007.

Unlike Maine's two other ports in Searsport and Portland, Eastport isn't run by the state. It's a quasi-municipal entity owned by the taxpayers of Eastport and governed by a seven-member board.

"We are revenue funded," says Gardner. "It gives us the ability to be masters of our own destiny, if we don't produce, we don't exist."

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Maine Manufacturing Extension Partnership

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U.S. Small Business Administration

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President's Corner



Dear MITC Members and Friends,

August's pre-season has given way to the September kickoff, and MITC staff are scattered literally across the globe, making connections for the state's businesses and communities. As I write this just after Labor Day, we are on the road in Montreal, Dubai, London, and Helsinki, not to mention the home team covering in Portland, Bangor, and Presque Isle.

In the past few months, great progress has been seen in our relationships with the North Atlantic and Arctic. A formal commitment to work together collaboratively with Finland on issues related to the forest and marine bioeconomy – a direct outcome of Trade Day 2019 – is nearly complete. MENADO Director Dana Eidsness, who was named chair of the Arctic Economic Council's Blue Economy Working Group, had the opportunity to take a lead role in a bilateral meeting of Icelandic and US business leaders chaired by the Icelandic Foreign Minister and US Vice President Mike Pence (*see page 5*).

When we introduced the *Maine is International* cover articles series last year, we wanted to show that international trade and connections are important to communities all over Maine, especially the more rural parts of our state. This issue focuses on Eastport and Perry: the Port of Eastport and a member that I have personally worked with for close to 20 years, Scythe Supply. Their stories are important reminders that MITC is here to support you wherever you are in Maine.

Wade Merritt,
President and State Director of International Trade

STEP Financial Assistance Awards: Now Accepting Applications

The State Trade Expansion Program (STEP) grant initiative of the U.S. Small Business Administration provides funding to increase the number of businesses that export. Administered by Maine International Trade Center (MITC), the objective of the STEP Financial Assistance Award is to encourage Maine companies to seek new international sales through financial support for costs associated with such activities. Eligible businesses may receive reimbursements totaling up to \$15,000 per year for costs associated with activities in the following categories: International Business Development, Export Skills Development, and Export Marketing Assistance. View eligibility guidelines and apply online at MITC.com.



U.S. Small Business
Administration



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The port at Estes Head in Eastport is blessed with 65 feet of deep water, making it the deepest natural seaport in the continental US. It ships an average of 200,000 to 300,000 tons each year. Most of that is wood products, but they also ship boats, construction equipment, giant wind blades, and for a few years thousands of pregnant dairy cows to Turkey.

Gardner jokes, “When you can ship something that fights back, you can ship anything!”

Cows aside, the major customer of the port is the Woodland Mill in Baileyville and the wood pulp it produces. Gardner calls it a symbiotic relationship that serves both sides well.

As Maine’s paper industry shifts to new products and markets, Gardner recognizes his port needs to find new paths in order to grow.

“We are in the process now of trying to start an export business in wood biomass,” says Gardner. “The renewable energy push in Europe is a huge potential that would utilize the low-grade wood in Maine that needs new markets.”

The port invested in a multi-million-dollar conveyor system several years ago, the only one on the east coast above North Carolina. A deal to send wood chips to Denmark has been in the works for a long time, with several stops and starts, but Gardner feels confident they will make their first shipment this fall.

The Eastport Port Authority is also the license holder of a shipboard heat-treating system that can heat the wood on board the ship to 140 degrees, killing any potential invasive species. The new technology was developed in partnership with Maine-based company Phyto-Charter Inc. and produced with funding from the Maine DOT. Player Design, Inc., an engineering firm out of Presque Isle, and the University of Maine in Orono, have also been part of this entrepreneurial effort. If the system works in Eastport, it would work in other ports around the globe.

As he works to expand the Port of Eastport and add more services, Gardner turns to MITC for guidance.

“We know MITC is very plugged into the state of Maine when it comes to potential suitors that want to be dealing with imports and exports at an international cargo port,” explains Gardner.



Born and raised in Washington County, Gardner is passionate about his home and its potential. While the port will need a crane and major investments in infrastructure to truly compete with major east coast ports, he believes Eastport’s will to survive and thrive is as deep as its water.

“The productivity here, the long-term employees, the expertise, the smarts, the motivation, the work ethic, the secret to the success of the Port of Eastport has always been in the people,” Gardner says.

Scythe Supply

Carol Bryan remembers the day when a large shipment of peening jigs from the Czech Republic arrived on her Downeast doorstep. The jigs were unusable.

"I was thinking there's \$35,000 worth of bad equipment in the barn," recalls Bryan. "We can't send it back. What are we going to do with it?"

Bryan needed those peening jigs for the European-style scythes (think Grim Reaper, but smaller) she makes and sells out of her home in Perry. The handles, or snaths, are made from Maine white ash, but the blades and other parts are imported from Austria and the Czech Republic. While she found a local machinist to help fix the flawed shipment, Bryan was left with a larger problem, how to communicate the correct design to the factory in Europe? She called Wade Merritt, who at the time was Vice President at Maine International Trade Center (MITC) in Portland.

"Wade said we can figure this out," recalls Bryan. "He told me he had a counterpart in Pennsylvania who spoke Czech. He reached out to her. Scythe Supply called the factory, and the problem was resolved."



For a small business in Washington County, that international connection saved money and time, allowing them to focus on their core mission as stewards of an ancient cutting tool, which still has a place in modern society.

"It's making a comeback," says Bryan. "People who want to mow a trail down to the lake from their camp or trim their garden beds. We sell to universities that have courses on sustainable agriculture, and we sell to Rocky Mountain National Park and Point Reyes National Seashore."

The seven employees at Scythe Supply make and ship about 2,000 scythes every year. Most go to North America and Canada, but they have pockets of customers around the world, including Japan and Australia.

Being the main distributor of the European-style scythe in the US was never a goal for Bryan, who spent 30 years working as a pediatric occupational therapist. When her partner Elliot Fishbein, who founded Scythe Supply in 2001, died in a car accident, she decided to continue his dream.

"In part, it was holding on to him, but after a while I really enjoyed the whole connection of knowing someone in Kansas is going to order a scythe tomorrow," says Bryan.

Occasionally, running an international business that includes importing and exporting out of Perry, Maine does present challenges. MITC has helped Scythe Supply navigate those hurdles and identify new opportunities.

"I've called them about currency issues," says Bryan. "I've called them when we've had some customs glitches. They connected us with Eimskip for shipping, and I like dealing with people right here in Maine."

Bryan, who's in her 70s, says she has to prepare the company for a transition, but that shouldn't impact how or where they do business.

"It's important to me that it's here in Washington County and Perry, and there's no reason for it not to stay," says Bryan.



Maine's Connections with Iceland Advance to a New Level



For the sixth year, MITC's Maine North Atlantic Development Office is organizing a Maine delegation to participate at the Arctic Circle Assembly, October 10–13, in Reykjavik, Iceland. In addition to supporting fellow Maine presenters in several Arctic Circle Assembly breakout sessions and workshops, the delegation of more than 50 business, economic development, government, and academic professionals will participate in meetings with delegations from Greenland, Scotland, and Finland, as well as attend a Maine Networking Reception.

In September, MENADO Director Dana Eidsness participated in a US-Iceland Trade and Investment Business Roundtable led by US Vice President Mike Pence and Icelandic Foreign Minister Guðlaugur Þór Þórðarson. Dana spoke on the importance of economic ties between Maine and Iceland. The Vice President's trip to Iceland is the first White House visit to Reykjavik since President Reagan's summit with President Mikhail Gorbachev in 1986. The Roundtable was an effort to strengthen our bilateral partnership with Iceland and to demonstrate the importance of the Arctic region to US security and prosperity. The Vice President and Foreign Minister discussed the possibility of a US-Iceland Free Trade Agreement.



US-Iceland Trade and Investment Business Roundtable (Photo credit: Official White House Photo by D. Myles Cullen)

Maine Lobster Companies Explore New Markets in the Middle East

In September, MITC Senior Trade Specialist Jeff Bennett traveled with four Maine lobster companies to explore new market opportunities in the Middle East. Organized by Food Export Northeast, the 3-day US Seafood Mission included a market briefing, visits to the fish market and major hypermarkets, a lobster and oyster cooking demonstration for seafood trade guests and hotel chefs, and one-on-one business meetings with seafood trade representatives from Armenia, Kuwait, Oman, Qatar, Saudi Arabia, and UAE. Maine companies on the mission were Greenhead Lobster, Lucky Catch, Maine Coast, and Ready Seafood. This mission was made possible by recent funding to Food Export Northeast through the Agricultural Trade Promotion Program (ATP) aimed at diversifying export market opportunities for suppliers hit hard by recent trade and tariff issues.



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WHAT'S AHEAD

Export 101

October 24 (Portland)

Mastering Export Documentation

November 7 (Portland)

Accidental Exporter

November 21 (Bangor)

Incoterms 2020

February 11 (Live Webinar)

ExporTech Maine 2020

February 27, April 2, and May 7 (Portland)

