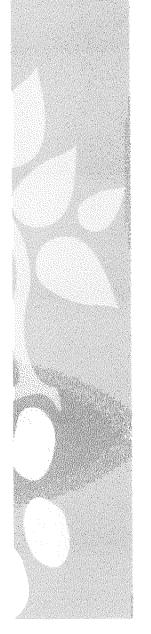


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Testimony of Jeannie M. Tapley, Executive Director, Maine Potato Board to the Joint Standing Committee on Labor

April 2, 2025

LD 589– An Act to Make Agricultural Workers and Other Related Workers Employees Under the Wage and Hour Laws

Senator Tipping, Representative Roeder, and members of the Labor Committee; I am Jeannie Tapley, Executive Director for the Maine Potato Board (MPB) and would like to express the Maine potato industries' opposition to LD 589: An Act to Make Agricultural Workers and Other Related Workers Employees Under the Wage and Hour Laws.

We are here in opposition to LD 589 because if passed would have an enormous negative impact on the potato industry in Maine and we believe all agriculture in this state. The long-standing exemption for overtime for agriculture was put in place recognizing the unique nature of agricultural production. In Maine, we have a very limited time in which to raise and harvest crops; in the potato industry, that is approximately 120 days. Agriculture is also faced with factors we have no control over such as the weather; we cannot plant a crop until ground conditions are suitable, we cannot plant in wet soil conditions and if it rains, cultivation and management of the crop during the summer is impacted. Harvesting can only begin when the crop has reached maturity and again cannot be done in wet conditions.

What this all means is that Mother Nature has more control over when we can do our work then the farmer. Therefore, overtime is unavoidable if growers are to plant, manage and harvest a quality crop, which is the key to their success and sustainability, as well as feeding our communities. We would all enjoy being able to work five days a week, eight hours a day and produce a quality crop; but that just is not an option when you are working in agriculture.

Understanding the limitations agriculture has as it relates to when and how long you must work given various conditions; the elimination of the overtime exemption would have a huge negative financial impact on the potato industry in Maine. In preparing for this public hearing, I updated a survey that I completed two years ago on a bill in this committee with this same language. This survey included growers across the state on what the impact would be for them; just looking at the short period of time for planting and harvest. We looked at this short window of time because it was the easiest for growers to determine, but it is not the only periods when working over 40 hours per week may be needed. What we found was staggering when you look at the cost for labor with and without overtime. In surveying those growers, we found that average weekly wages paid with overtime would increase by \$88,762 or \$532,572 annually, please keep in mind again this is only for the very short window of time for planting and harvest, approximately six weeks. The growers included in this survey represent an estimated 7,000 acres or approximately 13.5% of the total potato production in Maine. There were 102 full-time and 279 part-time employees included in this survey with the average full-time wage being \$23.15 and an average part-time/seasonal wage of \$17.36. The increase of \$532,572 annually would mean an increase of approximately \$76.08 per acre; if you use this increase cost per acre and apply it to total potato production of approximately 52,000 acres, the impact of elimination of the overtime exemption could cost potato growers in Maine an additional \$3,956,249; this increase would have a crippling effect to our industry. Again, these numbers only represent the short period of time of planting and harvest so the actual impact will be much greater than the \$3,956,249. This estimated increase also does not include the increased costs of benefits paid for by the grower such as Social Security, Medicare, workers compensation or unemployment all based on the employee's income.

Some may say that this additional cost can be either absorbed by the grower or passed on to the buyer, but that is just impossible; grower margins are not large enough to allow for this size of an increase and agriculture producers have very little to no control of market prices. Farms are a unique sector of the economy and have very different challenges that other employers do not, like short growing seasons and unpredictable variables like severe weather and plant pest/diseases that can make or break the viability of a farm. Two bad years on a farm can shutter the operation.

The potato industry in Maine has always taken great pride in what we do, how we take care of the land, and provide healthy quality food to Maine residents and beyond; this also includes taking care of our employees as you can see by the average wages I mentioned. If LD 589 passes, many potato growers will have to make hard business decisions to ensure they can continue to operate; in most cases that will mean rather than paying more for labor they will invest in equipment and automation that will allow them to hire fewer employees. Also, this bill may have the exact opposite effect that I believe the sponsors of this bill are trying to achieve. Employees that are used to working more hours per week doing work they love will most likely have their hours cut because the farmer cannot afford the overtime rate. I also worry with the current inflation on diesel, fertilizer, electricity, etc. that some of Maine's small farm families will be faced with the hard decision on whether to get done farming because they will not be able to afford labor at these rates.

We ask that you vote ought not to pass on LD 589 and show your continued support for the sustainability of agriculture in Maine. We want to help be part of the goal of 30% of the food consumed in Maine is grown in Maine by 2030 and increases costs and burdens such as this bill will hinder that progress. Thank you for your time and I will be happy to answer any questions you have; I will be available for the work session and can provide any additional information necessary.