

Senator Tipping Representative Roeder Members of the Committee on Labor

RE: Opposition to LDs 357 and 589 – An Act To Establish A State Minimum Hourly Wage For Agricultural Workers; and An Act To Make Agricultural Workers And Other Related Workers Employees Under The Wage And Hour Laws

My name is Eric Venturini and I'm the Executive Director of the Wild Blueberry Commission of Maine testifying in opposition to LDs 357 and LD 589.

The Wild Blueberry Commission (WBCM) works on behalf of Maine's 512<sup>1</sup> farms who grow wild blueberries on 47,600<sup>1</sup> acres across the State. In 2024, Maine produced approximately 85 million pounds of wild blueberries representing nearly 100% of all *wild* blueberries and approximately 10% of all *blueberries* grown in the US. Our industry contributes \$361 million dollars to the state's economy annually<sup>2</sup> and is the only state with significant commercial production of wild blueberries.

The Commission seeks to create an agricultural business environment that promotes a vibrant wild blueberry community and fosters profitability, innovation, and the social, economic, and environmental sustainability of Maine's wild blueberry farms and food processors across all scales of production.

In July of 2023, Governor Mills by Executive Order created a Committee to Develop and Implement a Minimum Wage Bill for Agricultural Workers. I served on the Committee as a representative of the Wild Blueberry Commission of Maine as did many others representative of both the employer and employee side of this discussion. This Committee held 7 meetings over the rest of 2023 and the co-chairs of the Committee, Deputy Commissioner McBrady and Commissioner Fortman, developed a report (thank you Deputy Commissioner and Commissioner) summarizing the Committee's discussions and findings in February of 2024.<sup>3</sup> The Honorable Governor Mills presented a bill last year in an effort to pass an agricultural minimum wage in a way that reflected the work of that committee, its report, and the input of the stakeholders involved. That bill was LD 2273.

LD 2273 did not provide everything that proponents originally proposed, and it did not account for all the considerations that many in the agricultural community sought. I thank Governor Mills for putting forward a bill to deliver State minimum wage to farmworkers while also understanding and accounting for many of the concerns raised by the agricultural community. Neither of the bills before us today are results of the work of that committee and neither of these bills strike the balance that LD 2273 did. I point the Committee to LD 655 as a better vehicle more in line with the recommendations of that committee.

There are several provisions in LD 357 and 589 that we find problematic, and which were also pointed out by members of the Governor's Agricultural Minimum Wage Committee.

<sup>&</sup>lt;sup>1</sup> USDA National Agricultural Statistics Service. 2022. Berries: 2022. United States Census of Agriculture.

<sup>&</sup>lt;sup>2</sup> Camoine Associates, Unpublished Data, Economic and Fiscal Impacts of the Maine Wild Blueberry Industry, Wild Blueberry Association of North America – US, October 2023,

<sup>&</sup>lt;sup>3</sup> Commissioner Fortman and Dep. Commissioner McBrady. 2024. Committee to Develop and Implement a Minimum Wage Bill for Agricultural Workers, Co-Chairs' Report. Released February 2024.

# LD 589 would subject agricultural workers to overtime. Mandatory overtime is a non-starter for agriculture.

Harvesting is the highest single expense for producers over the two-year production cycle. One producer estimated that mandatory overtime above 40 hours a week during harvest season at time and half would increase harvesting workforce costs by about 25%.

On the other hand, I've heard from cash strapped farmers who would cap their workers at 40 hours to avoid overtime costs. If this bill is passed, many of our migrant farm workers will spend the same amount of time away from home but will earn less money overall.

Consider the hypothetical scenario where a wild blueberry farmer caps her workers at 40 hours per week. On a hypothetical wild blueberry farm, a worker will work 1900 to 2000 hours, which is a full year's work, over a period of 7 months from April to November. If that employee instead works that same period at only 40 hours per week, they would lose 600 to 690 hours of work per year, which equates to approximately 1/3 of their pay. For workers earning the 2025 State minimum wage (a conservative estimate) this is a pay cut of \$8,790 – \$10,108 per season. Workers earning higher wages (\$18-25/hr), which is more common, could experience a loss of \$10,800 - \$17,250 per season.

## LD 589 would subject agricultural workers to all wage and hour provisions in Maine statute.

This would make it more challenging to consider the unique nature of agriculture in all future changes to wage and hour law. I think it was best said in the Agricultural Workers Minimum Wage Committee Final Report<sup>3</sup>, as authored by Commissioner Fortman and Deputy Commission McBrady:

The risk that concerns these farm employers is real: at some point, the legislature could amend Subchapter 3 with the intention of creating a new right for all workers – with a concomitant cost for all employers. The legislature may do this without explicitly considering the uniqueness of agriculture, its weather-dependent seasons, its perishable products and the welfare of its livestock, its importance to society, and its struggle to compete with more productive agricultural regions across the country with larger populations and different climates. If future employment legislation that has a major effect on agriculture is proposed, farm employers would prefer it to be specific and intentional. By placing the farmworker minimum wage statute in a separate, stand-alone subchapter for agriculture, any change to Subchapter 3 would not automatically affect farms. To extend the changes to farms, the legislature would have to make an intentional choice by also amending the farmworker minimum wage subchapter. Establishing an agricultural minimum wage statute in a different subchapter does not prevent a future legislature from amending it. However, its separate location requires a legislature to carefully consider the issues and how any amendment would affect this vital sector. Any future amendments would have to be pursued intentionally and thoughtfully. As Co-Chairs, we believe this is fair, and as such, we recommend it.

## Both LD 357 and LD 589 would grant agricultural workers the right to private action.

We are united with many others in the agricultural community in supporting the approach put forward by Governor Mills for this issue, and I quote from her April, 2024 veto message of LD 2273:

I believe, and agree it is important, that workers should have the right to pursue recourse for alleged labor violations. That is why my bill, as originally drafted, entrusted that enforcement responsibility to the Maine Department of Labor, an approach that rightly provides individuals who allege labor violations with the ability to ask the Department to investigate and then take action where appropriate.



The Governor's approach protects employers from costly litigation in instances where an alleged violation can instead be handled by the Department. LD 655, not up for hearing today, entrusts enforcement responsibility to the Maine Department of Labor.

### <u>Piece Rate</u>

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A remaining challenge, addressed in a minority report amendment to last year's LD 2273, is the loss of workers previously employed seasonally in agriculture that are not yet, or are no longer highly productive workers. For example, a harvester, still in High School, may not rake enough wild blueberries per hour to justify a farm expense of \$14.65 / hour. Similarly, a community elder may no longer be able rake enough wild blueberries to justify minimum earnings of \$14.65 / hour. In cold business terms, it would be a mistake for a farm to hire either of these two examples. In the past, wild blueberry farmers hired them anyway because they could be paid based on what they earned, on piece rate with minimum earnings set to the Federal minimum wage. Under piece-rate set to the State minimum wage as the earning floor, the inexperienced youth will no longer be given the opportunity to learn responsibility, the value of hard work—unless they already have learned this lesson and are productive workers. The very old, the community elders, who are interested in participating in a tradition that they may have first come to 50 years before, will similarly, no longer have that opportunity. This change will pose a challenge to the Passamaquoddy and their harvest workforce, and they shared their concerns with the Governor's Agricultural Minimum Wage Committee. This change poses the same challenge to small farmers. We ask that the Committee consider including a piece rate exemption, in any bill passed out of this committee that seeks to give agricultural workers State minimum wage to preserve this important cultural tradition of our industry.

### Can't Farmers Just Raise Prices?

No. It is easy to assume that if the cost of doing business increases, farmers can raise their prices and maintain a stable profit margin. Most Maine wild blueberry producers sell a raw, unprocessed product and have no control over the price they receive for it. Producers that do sell a finished product to an end-user or a value-added buyer are competing with the fast-growing cultivated blueberry industry (whose frozen berries are their waste product and therefore cheap), and with our Canadian neighbors (who harvest much of their crop from government-owned land, reducing their input costs). Neither of Canadian wild blueberry producers, or US and global cultivated blueberry farmers would be impacted by a change in Maine's law. Unable to raise prices to adjust for these costs, Maine growers would take the loss on the chin.

#### **New Considerations for 2025**

Wild blueberries are healthy, they are Maine, and they have the best story of origin and heritage than any other fruit in the US. Despite that, a recent publication by the University of Maine<sup>4</sup> indicates that the cost of producing 1 pound of wild blueberries ranges from \$0.42 to \$0.76 per lb. In 2023, the USDA National Agricultural Statistics Service's annual survey<sup>5</sup> indicated that most growers received a field price of \$0.52 per pound. Market indicators like import pricing for frozen wild blueberries give us no reason to be optimistic that conditions are improving. Please consider this context of low to no farm profitability, as the backdrop to any bills that you consider that may increase costs to farmers.

Federal labor policies are resulting in dramatic shifts in the supply of all agricultural labor across the

 <sup>&</sup>lt;sup>4</sup> Hoshide, A, and D. Yarborough. 2023. 2024 Enterprise Budgets. Retrieved from Cooperative Extension: Maine Wild Blueberries, <u>https://extension.umaine.edu/blueberries/factsheets/marketing-and-business-management/2024-enterprise-budgets/</u>, on March 24, 2025.
<sup>5</sup> USDA National Agricultural Statistics Service. 2024. New England Berries, Tree Fruit and Grapes, 2023 Crop. News Release, USDA NASS, Northeastern Regional Field Office.



United States. I say that from the standpoint of an industry that is very careful in checking and vetting working papers for all of their employees. Yet, when the total U.S. supply of agricultural workforce drops, fewer workers are available for the same amount of work – and our producers are already finding it harder source workforce for the 2025 season. One of our larger producers has told me that he was only able to find half of the workforce he needs this year through his normal hiring process, and I have already heard similar concerns from others. Please consider this context as you consider making changes that could exacerbate existing labor challenges for our farmers.

On behalf of Maine's wild blueberry industry, I urge you to oppose LD 357 and 589 and instead look towards LD 655 as a better vehicle that is more in line with the recommendations of the Governor's Committee. Thank you for your time. I would be happy to answer any questions that you may have.

