# HOUSE OF REPRESENTATIVES



2 State House Station Augusta, Maine 04333-0002 (207) 287-1440 TTY: (207) 287-4469

## **Tiffany Strout**

12 Anderson Lane
Harrington, ME 04643
Home Phone: (207) 598-7043
Tiffany.Strout@legislature.maine.gov

April 23, 2025

Testimony In Support of

LD 1386 – An Act to Provide Emergency One-time Relief from the Wild Blueberry Tax for Sellers in Maine and Partial Relief for Processors and Shippers

Good afternoon, Senator Grohoski, Representative Cloutier and distinguished members of the Taxation Committee. I am Representative Tiffany Strout from Harrington, representing the towns of Milbridge, Harrington, Columbia, Columbia Falls, Centerville, Addison, Jonesport, Beals, Jonesboro, Roque Bluffs, Whitneyville and Machias in beautiful Washington County and I am here today to present my bill – LD 1386 – An Act to Provide Emergency One-time Relief from the Wild Blueberry Tax for Sellers in Maine and Partial Relief for Processors and Shippers.

Growing up in DownEast Maine, I have been around the blueberry industry as long as I can remember. My great grandparents used to be lease holders of blueberry land and hired a crew to rake the berries. When I was 9 years old ,myself along with other family members would go and rake blueberries on my great aunt's land. This continued until I was old enough to rake on a crew on the blueberry barrens, and then to work in the factory. Today my husband owns and operates a blueberry harvester each August. I have raked berries during vacation from my full-time job to make sure my son and niece experience raking so they too learn about the hard work done by their family before them.

Over the years, the blueberry industry has changed due to climate, regulations and the lack of labor to do the literally back breaking work. Fields have been land leveled, allowing crops to be harvested by tractors and some land has had many improvements with weed control and irrigation. Unfortunately, due to the high-cost supplies, regulations and a poor market, our heritage of the blueberry industry is quickly fading. Farmers are being incentivized to trade the harvest of wild fruit to solar fields and gravel pits. These options are less hassle and provide an income that is consistent and more than they can obtain from harvesting their crops.

Last session, I was made aware of LD 2256 An Act to Provide Emergency One-time Relief from the Wild Blueberry Tax for Growers in Maine, very late in the session but was very excited for this bill as it would give a little financial relief to farmers. The bill passed out of committee and unfortunately ended up on the appropriations table where it stayed when the 131st Special Session ended.

This session when thinking about what I could do to help my constituents, often being told I favor the fishing industry, I immediately thought about the importance of LD2256 and put in the request for another chance, especially knowing the Wild Blueberry Commission was in full support of the one-time tax relief of the previous bill. Since this bill was not heard in this committee last session, I have included their testimony for your review.

There are a couple of points left out of my bill LD 1386 that were in LD 2256, and I think they are important to note because they have not improved since LD 2256 was written on March 6, 2024.

Whereas, in 2023, a declining market caused wild blueberry farmers to spend more to grow and harvest their crop than they earned from farming wild blueberries; and

District 11 Addison, Beals, Columbia, Columbia Falls, Harrington, Jonesboro, Jonesport, Machias, Milbridge, Roque Bluffs, Whitneyville, Centerville Township, and North Washington (Part)

Whereas the economic status of the State's wild blueberry industry is at a historic low

The Wild Blueberry Commission of Maine was established in 1945 by the Maine Legislature at the request of the blueberry farmers who asked to be taxed as a way to fund research and promote the wild blueberry industry. The Commission is primarily through a 1.5 cent tax per levied on every pound of blueberries grow, purchased or sold within Maine. The tax is divided in ½ to be paid equally by the seller and the processor or shipper. The commission may also accept grants or private or public contributions.

The first time I was made aware of the Wild Blueberry Commission was when I learned of LD 2256. This year, after speaking with growers and members of the industry, some agree there is still value in the research initiatives and grant opportunities the Wild Blueberry Commission works on but believe the marketing is not as robust as it needs to be to for growing the market which would result in better prices for their crops.

This bill does not take away the complete funding source of the Wild Blueberry Commission and this bill does not stop those sellers who still want to contribute their portion of the tax or stop the Wild Blueberry Commission from receiving funds or donations from any contributor. What this bill does do, is offer those dedicated farmers who have invested years and endless amounts of time in the blueberry industry for generations or those who thought it would be interesting to be a part of a long heritage, a little reprieve. It allows farmers the opportunity to keep their hard-earned money to invest in their fields, machines, and marketing their own product or helping to pay for their electric bills, whatever they see is the biggest financial need.

Letting Farmers invest in their fields keeps the farmer farming. After all, what would be the point of spending all the money on research if you have no farmers or fields available to apply said research.

Also, since this is a 1-year easement, I would like to suggest a report back to this committee by March 2026 on how the loss of the tax from the sellers impacted the Wild Blueberry Commission and to include those who voluntarily paid the tax. This will give better insight into any requests for similar bills in the future.

Thank you for your time today and I would be glad to answer any questions, and my constituent is here today to further describe his situation and answer any questions you may have about the facility.

Sincerely,

Tiffany Strout State Representative



March 13th, 2024

Senator Henry Ingwersen
Representative William D. Pluecker
Members of the Committee on Agriculture, Conservation, and Forestry

RE: Testifying in Support of LD 2256 An Act to Provide Emergency One-time Relief from the Wild Blueberry Tax for Growers in Maine

My name is Eric Venturini, and I am the Executive Director of the Wild Blueberry Commission of Maine.

First, I would like to thank the sponsor, Representative Pluecker, and the cosponsors Senator Black and Representatives Costain, Cray, Guerette, Hall, Hepler, Jauch, and Shaw for supporting us in developing this bill and moving it forward through the legislative process. Thank you.

### Structure of the Wild Blueberry Tax

You need to know 3 terms, "seller," "processor," and "shipper," all of which are defined in MRS Title 36, Ch. 701, §4302 and all of which refer to a person, firm, partnership, association, or corporation (hereafter, "entity").

- "Processor": An [entity] first engaged in the fresh packing, canning, freezing, pressing, grinding, juicing or dehydrating of wild blueberries whether as owner, agent or otherwise.
- "Seller": An [entity] offering unprocessed wild blueberries for sale, either to themselves or to others.
- "Shipper": An [entity] engaged in the shipping, transporting, storing, selling or otherwise handling of wild blueberries either in processed form or as fresh fruit, whether as owner, agent or otherwise.

Wild blueberries processed in Maine or shipped outside of Maine unprocessed, are taxed at a rate of 1.5 cents per pound. Half comes from the "seller" and half comes from the "processor" or the "shipper." If Maine wild blueberries are processed in Maine, the "seller" pays half and the "processor" pays half. If Maine wild blueberries are shipped outside of Maine before processing, the "seller" pays half and the "shipper" pays half. If unprocessed berries are shipped into Maine and then processed in Maine, the processer pays the full 1.5 cents per pound. In all cases the tax is paid solely by Maine businesses.

#### **Intent and Justification**

In LD 2256, we are seeking to leave the portion of the tax paid by the "seller" with the seller in 2024. All taxes paid by Maine shippers or Maine processors would still be paid.

The Maine Revenue Service has raised a technical issue that the bill may be in violation of commerce laws because it taxes Maine berries differently from berries outside of Maine. While I have not seen the



facts of that argument, I put forward for the Committee's consideration the argument that <u>because all</u> of the tax is extracted from Maine businesses, and that no part of the tax is extracted from businesses outside of Maine, that the bill would not be in violation of commerce laws. I also ask that the committee use its best judgment to move our intention forward without risking violation of any federal laws.

I want to make it clear that the economic condition of the wild blueberry industry is at a historic low. We estimate that the average price paid to wild blueberry growers, adjusted by the Producer Price Index, has declined 45% between 2002 and 2022.¹ Last year, most growers paid for the privilege of being a wild blueberry grower. As the price steadily declined, the cost of inputs rose. Critical US farm inputs have increased by 78% over the last 3 years.² Many wild blueberry growers in their conversations with me, estimate that their cost of doing business here in Maine may have even doubled in the last 4 years.

I also need to be clear that the work that the Commission engages in to create opportunities for promoting the attributes of wild blueberries and the health benefits of consuming them, to foster and fund impactful wild blueberry research and Extension at the University of Maine, and to strive to represent the voices in our industry both here in Augusta, and in Washington DC, is necessary to identify and find *long-term* solutions to our industry's economic crisis.

In the short-term, however, struggling growers are paying taxes on the volume of production, in a year when their balance sheets are in the red. <u>Instead of the tax coming out of their earnings, the tax in 2023 was added to their debts.</u> It is for that reason that the Commission voted to pursue this legislation.

On behalf of Maine's wild blueberry industry, I ask you to give this bill your full support. Thank you for your time and consideration. I would be happy to answer any questions that you may have.

#### About the Wild Blueberry Commission of Maine

The Wild Blueberry Commission (the "Commission) works on behalf of Maine's 512³ wild blueberry farmers and businesses who grow our iconic wild blueberries on 46,370¹ acres across the state and on Passamaquoddy tribal land. In 2023, Maine produced 74 million pounds of wild blueberries representing nearly 100% of all wild blueberries grown in the United States. Our industry contributes an estimated \$361 million dollars⁴ in sales to the state's economy each year.

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.

Sincerely.

Eric Venturini
Executive Director

Wild Blueberry Commission of Maine

Eric.Venturini@maine.edu

<sup>4</sup> Camoine Associates. Unpublished Data. Economic and Fiscal Impacts of the Maine Wild Blueberry Industry. WBANA – US, October 2023.



<sup>1</sup> USDA NASS average published prices, adjusted by Producer Price to account for inflation. Analysis by Dr. Aaron Hoshide, University of Maine.

<sup>&</sup>lt;sup>2</sup> US Senate Committee on Agriculture, Nutrition, and Forestry. 2023. USDA Says High Farm Production Costs Not Easing in 2024. July 13<sup>th</sup>, 2023.

<sup>&</sup>lt;sup>3</sup> USDA National Agricultural Statistics Service, 2022, Berries: 2022, Released February 13, 2024, https://www.nass.usda.gov/