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TESTIMONY IN SUPPORT OF

LD 1628 An Act To Exempt Nonprofit Agricultural Membership Organizations from Insurance Requirements

Senator Sanborn, Representative Templer and distinguished members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services:

My name is Julie Ann Smith and I am the Executive Director of the Maine Farm Bureau Association. We are a non-profit, non-partisan grassroots state-wide membership organization that was formed in 1951 to speak as the collective voice of the thousands of farmers throughout Maine. Each year, our farmer-members meet to discuss, decide and prioritize policy for our organization. One of the biggest discussions over the past five years has been the increasing and unmanageable cost of health insurance. I am grateful to have the opportunity to serve as the voice of our farmers today to support LD 1628.

Agriculture in Maine is struggling. In the past decade, we have seen a loss of nearly 10% of our farms, a decrease in the average size of acres farmed and an overall loss of land in agricultural production. Maine has a very short growing season with very high production expenses, making profitability for farms very challenging. Production expenses such as seeds, fertilizer, machinery and labor are costs that must be paid for before the farm owner can be paid. While this is similar to many businesses in Maine, the difference for farmers is that they are price-takers. Farmers cannot set what price they will be paid for the commodity they grow and Maine farmers are competing with international imports and even farms in other states that are able to grow crops and ship them to Maine for less than what it costs a Maine farm to produce the same vegetable. Maine imports 90% of its food to meet the consumer need for inexpensive products.

As the COVID-19 pandemic has shown us, production of local food is imperative. We cannot predict when the next disruption in the food supply chain will happen. If we cannot find a way for more Maine farms to produce more food, we may find ourselves in a very dire situation in the future. This bill would address one aspect of farm expenses that are forcing farms out of business: health insurance costs.

In researching options for Maine's farmers, I discovered that several state Farm Bureaus (Tennessee (1993), Iowa (2018), Kansas (2019), Indiana (2020), South Dakota (2021), and New Hampshire) offer affordable health coverage options to their members. These innovative programs, which have received bipartisan support in other states, provide an alternative to farmers that are unable to afford the high cost of conventional insurance. Tennessee Farm Bureau, for example, is able to offer affordable coverage with premiums that are up to 77% lower than what is available on the individual market, and offer more affordable deductibles. There are too many farmers in Maine that delay preventative care because they cannot afford the upfront cash costs of their current deductibles. We all know the huge costs to our health care industry when preventative care does not happen.



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With a Farm Bureau Plan, a family of four with two parents in their early 40s and two kids under 14 would experience savings of nearly \$10,000 per year. This \$10,000 is easily an amount of money that makes or breaks a farm.

We respectfully urge the Committee to vote Ought To Pass to provide farmers with an affordable alternative that would help keep farms in Maine operational.

Thank you for your time and service to the people of Maine. I would be happy to answer any questions you may have.