



Testimony in Opposition to LD 357:

“An Act to Establish a State Minimum Hourly Wage for Agricultural Workers.”

Senator Tipping, Representative Roeder, and the distinguished members of the Committee on Labor, my name is Harris Van Pate and I serve as policy analyst for Maine Policy Institute. Maine Policy is a free market think tank, a nonpartisan, non-profit organization that advocates for individual liberty and economic freedom in Maine. Thank you for the opportunity to testify in opposition to LD 357, “An Act to Establish a State Minimum Hourly Wage for Agricultural Workers.”

Maine Policy Institute advocates for policies that promote economic liberty, personal responsibility, and the sustainability of Maine’s small businesses, especially those in our rural and agricultural communities. There, LD 357 fails on all counts.

A One-Size-Fits-All Mandate for a Unique Industry

LD 357 proposes subjecting agricultural labor to the state’s minimum wage law, currently set at \$14.65 per hour and indexed to increase with inflation beginning in 2027. While this might sound fair on paper, it ignores the fundamental economic differences that set agricultural work apart from other sectors.

Agricultural labor is seasonal, weather-dependent, and tied to global commodity prices outside a farmer’s control. Unlike other industries, a farm cannot raise its prices on a whim or pass on increased labor costs to consumers without risking insolvency. Implementing a rigid wage mandate in such a volatile environment would inevitably lead to fewer jobs, smaller harvests, and even the closure of family farms.

In short, this bill threatens to turn Maine’s farms into a casualty of legislative overreach.

Harm to Small Farms and Local Food Systems

Maine agriculture is dominated by small, family-run farms that operate on tight margins and compete not only with large agribusinesses in other states, but with cheap imports from abroad. A state-imposed minimum wage on agricultural workers—particularly one not imposed uniformly across the country—puts these local farms at a severe structural disadvantage.

A report published by economics Professors Dana J Smith, Jennifer Ifft, and Ejin Kim in the Journal of the Agricultural and Applied Economics Association found that for each \$1 increase in the minimum wage for farm workers, each individual farm worker’s



chances of employment decline by 1%.¹ Maine's farms, many of which already struggle with labor shortages, may not survive this pressure, and its agricultural workers may be hurt rather than helped.

If policymakers genuinely value local, sustainable food systems, they should not undermine the people who grow our food with costly and inflexible mandates.

The Federal Standard Already Exists

It is important to note that much agricultural labor is already covered under certain federal labor laws. Under the federal Fair Labor Standards Act (FLSA), many agricultural workers are entitled to the federal minimum wage.² This law as well exempts many smaller farms, acknowledging the increased burden across the board minimum wage increases would have on small producers. States like Maine have historically respected agriculture's unique status by not imposing further wage mandates.

By layering state mandates on top of federal law, LD 357 invites unnecessary complexity, legal risk, and compliance burdens that will only increase the cost of doing business in Maine, further discouraging investment in rural communities.

Risk to Farmworkers Themselves

Paradoxically, the very workers this bill seeks to protect may be the ones most harmed by it. When wage mandates outpace the productivity or revenue generated by a given job, employers are forced to cut hours, reduce staff, or automate. In many cases, workers would prefer the dignity of a job at a fair market wage over the uncertainty of no job.

Rather than uplifting workers, LD 357 could price them out of employment altogether.

Let the Market, Not Mandates, Drive Wages

Wage levels should be driven by supply and demand, not arbitrary legislative edicts. In today's labor market, many Maine farms offer competitive wages and housing to attract workers. Let's not punish responsible employers with one-size-fits-all mandates that don't account for reality.

¹ <https://onlinelibrary.wiley.com/doi/full/10.1002/jaa2.27>

²

<https://nationalaglawcenter.org/state-compilations/agpay/minimumwage/#:~:text=The%20Fair%20Labor%20Standards%20Act,wage%20of%20%247.25%20per%20hour.>



Conclusion

LD 357 would erode the economic viability of Maine's small farms, reduce opportunities for agricultural workers, and burden our rural communities with excessive regulation. It is a solution in search of a problem that would ultimately do more harm than good.

For these reasons, we respectfully urge the committee to vote "Ought Not to Pass" on LD 357. Thank you for your time and consideration.