



CHERRYFIELD FOODS, INC.



320 Ridge Rd · Cherryfield, Maine 04622
Phone (207) 546-7573 · Fax (207) 546-2713

TESTIMONY OF DAVID K. BELL

in Opposition to

LD 1022, An Act to Make Agricultural Workers and Other Workers Employees under the Wage and Hour Laws

April 6, 2021

Senator Rafferty, Representative Sylvester, and other distinguished members of the Joint Standing Committee on Labor and Housing:

Cherryfield Foods is a grower of wild blueberries located in Washington County with our roots dating back to the 1860's. We also have a processing facility in Machias, Maine Wild Blueberry Company, which freezes and value adds to Maine Wild Blueberries.

Cherryfield Foods Farm field team is comprised largely of "long season" farm workers that typically work from mid/late April through late November. The vast majority of this work is outdoors and field related. During this time period it is our goal to try and provide our long season field workers a "full year's work" in terms of hours and wages over a "compressed farming year". The vast majority of our long season field team want to clock in a year's work of hours to meet their annual wage needs. In order to get a full year's worth of work in 7 months it requires working more than 40 hours per week. We do have a few workers who choose not to achieve a year's worth of work during the compressed farming year.

These long season farm employees also receive individual and family health insurance benefits (available year round), employer paid short and long term disability insurance and life insurance, an employee assistance plan, and a 401k plan with a company match. The vast majority of the team returns each year, and some have worked for us for decades. In order to maintain the farm team, we must pay competitive wages and provide competitive benefits.

Both Cherryfield Foods Farms and our long season farm employees plan hours worked and resulting wages over a farming season as work on the farm is not spread out over 12 months. Within the farm season there are peak periods of labor needs such as irrigation, harvest and alike. Salaried farm managers also work similar long hours during these peak periods. Requiring overtime for farm work would upend this system built on an annual hour goal of 1900-2000 hours

worked (excluding earned vacation time) which allows both the farm and employees to budget annually.

You may be aware that Maine's wild blueberry business has been struggling in recent years due to market challenges resulting in multiple years of losses on the farm. Concurrently, farms have struggled to meet market wages. If this bill were to pass the farm would be forced to look at other methods to avoid a large cost due to wage increases, a cost as we simply cannot afford beyond what we currently pay in wages and employee benefits. The farm also has health insurance premiums, a cost of having employees which is difficult to control. It is a financial struggle to maintain good wages and good benefits when costs spiral up out of your control. It is even more difficult in difficult economic times.

One way to manage the total labor cost if overtime was required would be to hire more employees during the farming season to have the same total work effort with the goal of maintaining a straight 40 hours of work a week for each employee. The work would get done with the same wage cost but with increased benefit cost for more employees. **However, this approach would result in our current farm workers losing about \$10,000 of their annual earnings as wages above 40 hours per week would go to additional employees.**

The other area we would be forced to focus on is further reducing labor hours through more mechanization. A few decades ago we employed a couple thousand hand rakers during the harvest. We eliminated hand rakers years ago and fully mechanized the harvest. One of our goals was to reduce the harvest peak labor needs and focus on providing long season farm jobs with benefits which we have successfully achieved. Farm jobs are very different today from recent decades. We have moved away from difficult manual labor to multiple skills such as pest scouting, pollination management, irrigation management, and operation of a variety of heavy farm equipment some of which is integrated into the digital farm management system with computer tablets in the machine cabs.

LD 1022 would undo decades of effort to upgrade the quality of jobs on our farm, develop a workable wage scale and related employee benefits, all built on current law. In the end, **LD 1022 would be a detriment to our current long term employees as it would result in reduced annual hours worked and a reduction in annual wages.**

We request the Committee vote ought not to pass on L.D. 1022.