



# Maine Farm Bureau Association

## TESTIMONY IN OPPOSITION TO LD 398 AN ACT TO MAKE AGRICULTURAL WORKERS AND OTHER RELATED WORKERS EMPLOYEES UNDER THE WAGE AND HOUR LAWS

Senator Tipping, Representative Roeder and honorable members of the Committee on Labor and Housing:

My name is Julie Ann Smith and I am the Executive Director of the Maine Farm Bureau Association, the state's largest farmer-run advocacy organization. We have represented the voice of all agriculture in Maine for the past 70 years and I am grateful to have the opportunity to serve as the voice of our farmers today.

Our farmer members voted to strongly oppose this bill as presented. During the 129<sup>th</sup> Legislature, the chairs of this committee sent a letter to Commissioner Fortman requesting that interested parties be convened to "discuss wages, hours worked and collective bargaining for agricultural and seasonal employees." The interested parties met once, on November 4, 2019. As a result of the initial meeting, it was agreed that further discussions needed to take place. Regrettably, no further meetings were scheduled and no consensus was achieved.

This bill was developed without any input from Maine's 7,600 farmers. It is based on laws that have been passed in other states, however, it does not provide the same support to implement overtime requirements. Generally, when a state has implemented the change in overtime thresholds, these changes are implemented over a period of five to ten years. Typically, the threshold decreases in a tiered fashion, starting with a higher baseline weekly and/or daily overtime threshold—e.g. 60 hours per week, 12 hours per day—and decreases each year until it meets the goal threshold. To expect Maine's small family farms to change their wage structure in a mere three years is an unreasonable goal.

Some states have set a final threshold of 60 hours per week, while others have implemented a threshold of 48 hours per week. Additionally, some states further differentiate the implementation of thresholds for different producers based on size or type and provide limited exemptions. The implementation can either differentiate based on the number of employees, the financial size of the operations, or the nature of the operation. Some states require quicker implementation for larger producers, while others have different overtime thresholds for large and small operations. There is also an important distinction based on the nature of an operation. This nuance provides operations that are "highly seasonal" a different threshold during the seasonal times, such as planting and harvesting. Additionally, states commonly allow producers to break the peak weeks into 2 or 3 periods.

Farms in Maine are price-takers, not price setters. Farmers are generally told what price they will be paid for their product by wholesalers, sometimes long after that product is already on store shelves. Farmers have to make significant up-front investments in seed, soil amendments

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and other necessary products to produce the food our neighbors eat. Usually these upfront investment costs are covered by loans that have to be repaid shortly after harvest. Maine farmers have some of the highest production costs in the country coupled with the shortest growing season, which is why 90% of the food sold in Maine is imported.

The price most farmers are paid for their product has remained stagnant or decreased in the past 5 years, while labor costs have risen 35% to 50%. Farm workers have seen their wages rise, but the farm owners, who are also farm workers, have seen their wages decrease. Maine farms cannot sustain any further substantial increase to labor costs. If the economic health of the farm fails, there will be no farm jobs.

At some point, after years of negligible or negative income, farmers quit. They sell their land for house lots to pay off their debts and are lucky if they break even. Once a house is built, municipalities see their costs increase and the land will probably never be farmed again.

As house lots increase and farmland decreases, Maine loses its ability to produce its own food. As the COVID-19 pandemic showed, Maine farms were able to step up and provide food to our neighbors when grocery store shelves were empty. If farms are forced to close due to increased labor costs, what will we do during the next pandemic?

Thank you for your time today and your service to the people of Maine, especially our farmers. I would be happy to answer any questions.