

# Tax Policies that Support U.S. Blueberry Growers

NABC supports targeted tax policies that strengthen the U.S. blueberry industry by fostering innovation, encouraging capital investment and sustaining domestic production. These policies are essential to ensuring the industry's global competitiveness, while supporting American farmers and rural economies.

## NABC Farm Bill Policy Recommendations

- **Support Section 199A and 199A(g) tax deductions for farmers and farm cooperatives**

Section 199A and 199A(g) deductions provide financial certainty to family farmers and agricultural cooperatives in the U.S. blueberry industry. Section 199A allows family farms operating as pass-through entities to reduce their tax burden while Section 199A(g) ensures agricultural cooperatives can continue to deliver valuable tax benefits to their members.
- **Support Bonus Depreciation**

Bonus depreciation enables farmers to invest in equipment and infrastructure by allowing immediate deductions on qualified assets.
- **Support Estate Tax Exemption and Stepped-Up Basis**

These provisions help farmers avoid excessive tax burdens when transferring land and equipment to heirs, preserving the economic viability of family-owned farms.
- **Support New Tax Policies that Address Increasing Labor Costs**

Rising labor costs, including higher H-2A wage rates and processing fees, and state agriculture overtime laws, present significant challenges for U.S. blueberry farmers. NABC supports tax policies that offset these costs.
- **Support a New Tax Credit for Investments in Agriculture Technology**

This would help farmers innovate, improve productivity and stay competitive, while addressing challenges and meeting consumer demand for sustainable practices.
- **Support Tax Deductions for Agricultural Practices**

NABC supports tax deductions for certain agricultural practices, including organic certification, conservation, energy-efficient equipment, and renewable energy systems.

## Support the Supporting Innovation in Agriculture Act

NABC endorses the "Supporting Innovation in Agriculture Act" which provides a 30% refundable investment tax credit to encourage the adoption of advanced agricultural technologies. This legislation helps farmers innovate, improve productivity, and stay competitive.

## Top Five Farm Bill Priorities

The NABC supports improvements to existing Farm Bill programs and the creation of new programs that enhance the competitiveness of U.S. blueberry growers.

### Research

NABC recommends significantly increasing funding for all research programs that support the specialty crop industry, including the Specialty Crop Research Initiative, IR-4, and the National Clean Plant Network. NABC urges Congress to include new dedicated funding for mechanization and automation research.

### Trade Development

The blueberry industry has benefited tremendously from the Market Access Program, the Technical Assistance for Specialty Crops, and other trade facilitation programs funded through the Commodity Credit Corporation (CCC). NABC supports the doubling of funding for the MAP from \$200 million to \$400 million.

### Crop Insurance

To ensure blueberry growers have access to effective crop insurance products, NABC supports the creation of a Specialty Crop Advisory Committee within the Risk Management Agency, added flexibility in the 508(h) standards for specialty crops, enhanced data collection, and codifying administrative improvements to the Whole Farm Revenue Insurance Program. Additionally, NABC requests language that directs RMA to research and develop a Production Revenue History (PRH) policy for blueberries.

### Nutrition

NABC supports continued investment in the Gus Schumacher Nutrition Incentive Program (GusNIP), the only dedicated program to increase participants' buying power for fruits and vegetables, including through Produce Prescriptions.

### Tree Assistance Program

The Tree Assistance Program (TAP) provides financial assistance to eligible orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, and vines lost by natural disasters.

## Policy Recommendations

- **Eliminate** the 15% mortality threshold for assistance and bring the program in line with the livestock indemnity program.
- **Extend** assistance to trees, bushes and vines that have not died but are no longer capable of production (not economically viable).
- **Increase** the cost-share rate for rehabilitation from the current 50% to 65% to match the cost-share rate for replanting.
- **Extend** the period of time to carry out replacement and rehabilitation activities from the current 12 months to 2 years or more as determined by the Secretary.
- **Eliminate** the Adjusted Gross Income and Payment Attribution limitations.
- **Allow** for growers to replant using an alternative variety.
- **Allow** for growers to replant using an alternative stand density.
- **Require** FSA to respond to an application for assistance within 120 days.

# Trade and U.S. Competitiveness

The success of the U.S. blueberry industry is built upon market stability, which is made possible by trade agreements that are fair and enhance U.S. competitiveness. For blueberry growers, this means access to export markets and maintaining a steady, year-round supply to meet the demands of U.S. consumers, who make up the world’s most valuable market for blueberries.

Counterseasonal imports play an important role in ensuring a consistent, year-round supply which has fueled significant growth in consumer demand for blueberries.

Over the past decade, there has been an exponential rise in consumer demand for blueberries. According to USDA, there was a 97% increase in per capita blueberry consumption between 2011-2021.

## The Role of Imports

Both domestic production and imports from Canada, Chile, Mexico, and Peru ensure a reliable, year-round supply of fresh blueberries for American consumers.

- Year-round supply ensures fresh blueberries remain a household staple.
- Consistent supply drives consumer demand, which benefits U.S. blueberry growers.
- Blueberry imports from key trade partners contribute over \$2.4 billion in annual economic impact to the U.S., complementing the significant economic contributions of U.S. growers.

Annual U.S. Economic Impact	Domestic	Imports	Total
Output	\$6.6 B	\$2.4 B	\$9 B
Jobs	49,262	12,414	61,767
Labor Income	\$2.4 B	\$876 M	\$3.3 B
Business Taxes	\$193 M	\$84.8 M	\$278 M

## The North American Blueberry Industry: U.S., Canada, and Mexico

The U.S.-Mexico-Canada Agreement (USMCA) has helped drive growth of the U.S. blueberry industry.

- More than half of all U.S. blueberry exports go to Canada.
- The U.S. is the largest export market for both Mexican and Canadian blueberries.
- A recent Euromonitor study identified Canada and Mexico as the top two export opportunities for our U.S. blueberry growers.
- U.S. blueberry companies have expanded their operations to Mexico to meet consumer demand when U.S. production is out of season.
- U.S. growers ship their blueberries to Canada for freezing and storage, oftentimes returning to the U.S. market after processing.

## Strengthening U.S. Growers’ Global Competitiveness

The government can support U.S. growers by:

### Passing a Farm Bill

A strong Farm Bill is essential to ensuring U.S. growers have the tools and resources they need to remain competitive in a global market.

### Investments in Innovation

New plant varieties and advanced genetics are critical for U.S. growers to compete for market share. The Tree Assistance Program provides assistance for producers to replant to new varieties following a natural disaster.

### Leveling the Playing Field

U.S. growers face some of the highest regulatory and labor costs in the world. Policies that reduce unnecessary burdens and provide targeted support will ensure growers can remain in business.

# The Agriculture Workforce and Blueberry Industry

The greatest challenge facing U.S. blueberry growers today is labor availability. With a declining domestic agricultural workforce, growers increasingly rely on the H-2A Visa Program. However, rising costs, including those driven by the Adverse Effect Wage Rate (AEWR), are making the program unworkable and unsustainable.

## Adverse Effect Wage Rate

Each year, the Department of Labor sets the Adverse Effect Wage Rate, or AEWR, based on the previous year’s average wage rate, as determined by the USDA Farm Labor Survey. In effect, last year’s average wage becomes next year’s minimum wage, driving artificial inflation in agricultural wages unlike any other industry. Additionally, growers shoulder the added costs of transportation and housing, as well as administrative costs of using the H-2A program.

The United States’ high wage rates is the single greatest factor impeding American farmers’ competitiveness.

For blueberry-producing states, the AEWR has increased year after year, reaching an average of \$17.86 in 2025. By comparison, growers pay approximately \$11 per hour in Canada and just \$1.50 per hour in Mexico.

With labor making up over 40% of a blueberry producer’s total farm expenses, these rising costs pose a significant challenge.

## AEWR Increases in Blueberry Producing States

State	2023 AEWR	2024 AEWR	2025 AEWR	Percent Change 2023 to 2025
California	\$18.65	\$19.75	\$19.97	7.08%
Florida	\$14.33	\$14.77	\$16.23	13.26%
Georgia	\$13.67	\$14.68	\$16.08	17.63%
Indiana	\$17.17	\$18.18	\$19.57	13.98%
Michigan	\$17.34	\$18.50	\$18.15	4.67%
Mississippi	\$13.67	\$14.53	\$14.83	8.49%
New Jersey	\$16.55	\$17.20	\$17.96	8.52%
North Carolina	\$14.91	\$15.81	\$16.16	8.38%
Oregon	\$17.97	\$19.25	\$19.82	10.29%
Washington	\$17.97	\$19.25	\$19.82	10.29%

**Congress must act to halt the current AEWR and work with DOL and USDA to develop an alternative that eliminates artificial inflation.**

NABC urges Congress to support the Supporting Farm Operation Act, which would freeze the AEWR at the 2024 rate through the end of 2026. This would provide much-needed relief for farmers and allow time for the DOL and USDA to implement long-term administrative reforms to the H-2A program.