

**Ms. Christine Lantinen**  
**President/Owner – Maud Borup Inc.**  
**Testimony for House Small Business Subcommittee on Oversight, Investigations, and Regulations**  
**Hearing on “Global Supply Chains and Small Business Trade Challenges”**  
**October 20, 2021**

Chairman Phillips, Ranking Member Van Duyne, Members of the Subcommittee: Thank you for the honor and privilege of testifying today. Before I discuss my business’s supply chain challenges, I’d like to give you a bit of background about myself and my company.

My name is Christine Lantinen and I’m the President and Owner of Maud Borup, Inc., a candy manufacturing, and food gift company. We are a privately held Minnesota-based business employing around 200 team members. The company’s growth has been strong and steady since I took ownership of the business in 2005, and this year we are on track to grow sales by 75%.

Maud Borup is over 100 years old. And like me, it has deep ties to Minnesota. I grew up a farmer’s daughter in Le Center, working as a server at the American Legion as early as the age of 13. I joined the Army and attending basic training at the age of 17 and went on to serve almost 10 years as a field medic. I graduated from Minnesota State University-Mankato. After working my way up the corporate ladder, I found myself in a position to acquire and lead Maud Borup, taking it into the next century of candy making. Today as a certified woman- and veteran-owned business, we are deeply committed to our community; with our corporate office located in Plymouth and our factory in Le Center.

I was asked to join today’s hearing to share my perspective and experience navigating supply chain challenges. I’d begin by placing a spotlight on our workforce. My business faces a dire shortage of workers. As stated, we currently manage about 200 employees, down roughly 100 from our optimal number of staff. Since December 2020, we have instituted a 36% hourly salary increase and we still have trouble recruiting workers. Some factors driving this situation are economic; our general community maintains a low unemployment rate, almost a full percentage point below the state average of around 4%. Other factors are geographic; we are located in proximity to peer businesses competing in the same worker pool.

Perhaps most relevant to this committee is the factor of worker development. Trade programs producing certified truck drivers, welders and other specialists are simply not producing workers fast enough for businesses like mine to hire them. I urge this committee to take a hard look at policy solutions to accelerate the pipeline of trade certification and education programs. To put it directly, the biggest and most immediate challenge to my business’s supply chain is a lack of workers. The situation is so severe that despite a purchase of six acres of land adjacent to our lot, our business has put expansion plans on hold. Our desire is to continue operating in our corner of Minnesota, but our current workforce shortages are simply unsustainable.

Another supply chain challenge currently impacting our business is the cost of transportation for goods and supplies. In August 2020, the cost to ship a standard 40-foot shipping container was approximately \$4300. By August 2021, that figure had exploded to nearly \$30,000. Like our shortage of workers, this situation is also unsustainable from a business management standpoint. We need to see action to alleviate the bottlenecks, mostly caused by labor shortages.

According to the US Bureau of Labor Statistics September 2021 report, there are 100 million Americans not in the US labor force. 42% (42 million) of that number are retirees. The Fed classifies the “US labor force” as every US citizen 16 or over who is not incarcerated, in the US military, or in nursing or residential care home. Retirees are still considered part of the labor force. How can we incentivize retirees and others currently not working, but able to work, to enter the workforce to help fill the 10.4 million job openings America currently has? Bolstering participation is critical for US competitiveness and economic strength. We must advocate for policies to ensure that Americans are able to more fully develop and profit by their talents, and in turn the US will benefit from the full diversity of our available talent.

Lastly, I’d be remiss if I didn’t mention a longstanding challenge to businesses like mine, not just in the chocolate and confectionery industry, but the broader food and beverage manufacturing sector as well. I’m referring to the U.S. Sugar Program, which consists of a combination of domestic marketing allotments, tariff rate quotas, guaranteed price support loans and the Feedstock Flexibility Program. The labyrinth of policy is so convoluted I do not have the time nor the expertise to walk you through it all. The practical result is that the federal government severely restricts the supply of sugar to artificially inflate prices. American businesses that rely on a steady supply of sugar are thus often forced to pay twice what our global competitors pay on the global market.

The Sugar Program inflicts further pain by intentionally prohibiting domestic sugar producers and processors from expanding output in response to supply shortages. Imports cannot fix the situation either because of restrictive federal import quotas. Let me put this simply: the U.S. Sugar Program, a collection of policies written and implemented by Congress, creates supply chain shortages for businesses that need sugar to make their products. If we want to address global supply chains and small business trade challenges, this is a good place to start.

Thank you again for the opportunity to testify before you today. I am grateful for the Subcommittee’s interest in my business’s perspective on the troubling set of urgent supply chain challenges we’re facing. I’d be happy to answer any questions you may have.