

My name is Kurt Melville and I am a third generation farmer in Wallowa County. On our irrigated and dryland farm we grow wheat, barley, peas, canola, flax, oats, alfalfa, timothy hay, and any other crops our short, high elevation, growing season will allow us to. Each year my father, brother, and I employ from 7 to 10 employees to help with planting, irrigation and harvest. I want to share with you my concerns about the real impacts of HB 2358 on both my farm and my employees.

This bill would require every farm and ranch in Oregon to pay overtime to employees after 40 hours of work. Currently, agriculture is exempt from overtime pay under the federal Fair Labor Standards Act and in most other states. These rules were created because throughout America's history, people have understood that agriculture is unique to all other industries, having to conform to the demands nature and harvest place upon us to ensure a reliable food source for society. These bills propose one of the most aggressive overtime policies in the country, which would be devastating for local farmers like myself and our employees.

As a farmer, I am a price taker, which means that I cannot simply increase the sale price of my crops to account for added labor costs. Consumers set our prices and will buy from other states or countries that sell at a cheaper price. Meaning I will have to absorb any added overhead. That's the economic reality I deal with every day.

Farming already runs at a very low profit margin, and I will not be able to afford the added payroll costs proposed in HB 2358. I estimate that it will likely cost our farm \$20,000 to \$25,000 in new labor costs each year. To stay in business, I will be forced to limit the number of hours worked by my employees to 40 hours in a week to avoid the added expense of overtime pay. I do not want to do this, and my employees do not want me to do this, but that is the practical reality of this bill. Over the years, I have hired lots of employees who specifically go to work for me because they know they can make more money working long hours for me, than getting a job anywhere else that will limit them because of overtime. Now those employees who are hard working and wanting to get ahead in life by working on a farm for the extra hours will no longer be able to because this overtime bill will force me to limit their hours and either hire additional help or mechanize more.

Over the last twenty years our farm has already been forced to mechanize more and more to compete on the international market that farming has become. This bill will force us to consider purchasing more labor saving machines like center pivot irrigation systems and larger tractors and implements. Unfortunately, because we are invested in the land that we love and work on, we do not have the option of moving out of Oregon to make our business competitive in the international arena, like so many other Oregon businesses have chosen to do. If this bill passes, sadly, my greatest concern is for my farm employees that are at risk of losing their jobs if downsizing, switching crops, or mechanizing are the only options available to my farm.

As a family business, we cannot operate at a loss year-over-year, so we have to control costs that seem to increase every year in Oregon. I know it is not the goal of this bill to reduce employee take-home pay, but HB 2358 demands wages that are not possible with the economics of agriculture and will result in reduced pay and hours for farm employees.

My concern is that this policy hasn't been well-vetted and will actually harm those it intends to help.

I urge you to please oppose HB 2358 this session. This bill would negatively impact not only family farmers and ranchers in Oregon, but also agricultural workers!