

Members of the Committee:

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We are a wholesale nursery with diversified farm operations including the Willamette Valley's major wildflower seed growing operation and cut branch floriculture crops.

We employ between 40-45 year-round staff and seasonally in winter harvest season that crew level almost doubles.

Our annual payroll exceeds \$3 million right here in Salem.

Our nursery business alone will gross almost \$5.8 million this year but our profitability has steadily fallen in recent years due to labor costs rising faster than our price bump capacity. Last year our margin on all crops was feeble, considering the level of production risk we face daily from all threats, not just recent Covid, wildfire smoke in the Santiam Canyon where our operations lie, and now in recent weeks unprecedented ice damage.

To put it bluntly, if this measure is enacted into law, WE WILL SHUT DOWN operations promptly.

To the Salem area economy alone, if you figure the accepted 5X multiplier effect of our annual payroll, it would be an almost \$16 shrinkage - huge loss in the Salem area regional economy. And we are just ONE nursery within the State's most robust agricultural commodity. Nursery stock is Oregon's top ag crop. Those to whom we sell would be similarly affected. Because our product is unique, their economic losses would be not only in a huge labor cost increase but in dramatic supply shortages or complete loss of product for years.

For many wholesale nurseries and for nearly our entire wildflower seed project we are the sole national wholesale supplier for rare and unusual woody ornamental plants.

[www.heritageseedlings.com](http://www.heritageseedlings.com)

You may call ODA staff to verify the unique character of our product line.

So after 40 years in business, I would hate to see you take this step and directly cause our business to fail. We started it from scratch in 1981.

I would be happy to show you our operation and visit with our employees directly so you can hear how they feel about the prospect of losing the jobs that pay their rent, fund their kids' school needs, and pay their grocery and insurance bills. We hire nobody at less than \$14.25 per hour for even entry-level work. Most of our staff are now working 55+ hours per week just to get the product out the door on schedule. Paying them overtime would mean we must close, because we simply cannot pay entry level staff wages exceeding \$21 per hour for overtime without operating at a cash loss directly traceable to a huge labor cost increase.

Our price points are already high relative to other wholesale seedling nurseries, so clients will not pay more in order for us to fund this kind of fiscal adventurous fantasy.

We pay fair, even generous wages considering all skills and abilities, and we promote from within. Our top managers have been here on average almost 22 years. What must we tell them if you pass this short-sighted legislation? This is no panacea. It is foolish.

This would be an imminent death sentence for most operators in Oregon's nearly \$1Billion nursery economy.

Respectfully,  
Mark Krautmann, co-owner