

Testimony opposing HB 2358 and SB616

My name is Clinton Carlson and I am a fourth generation farmer in Lone, Morrow County. I grow winter wheat and employ two temporary harvest workers and contract with a temp company for a rye and weed control in the spring and summer. My summer help is generally high school and college kid trying to make money to pay for college, and in the past my own children. I want to share with you my concerns about the real impacts of HB 2358 and SB 616 on both my farm and my employees.

These bills 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 bills propose one of the most aggressive overtime policies in the country, which would be devastating for local farmers 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. I will have to absorb any added overhead, and the markets are volatile and move up and down depending on world economic and political happenings, and we can't plan on a set price for our product, year after year. That's the economic reality I deal with every day.

I will not be able to afford the added payroll costs proposed in HB 2358 and SB 616, as it will likely cost me Thousands in new labor costs. 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 these bills. I pay my employees better than Minimum wage and during harvest we work long hours and they are able to generate a pretty good paycheck for a short work season. On average they make more without overtime than if I paid minimum wage with overtime. With the overtime law, they would make less on rainy days, breakdowns, or any time we can't run a full day because I would be forced to reduce the base pay to make up for any overtime. There are also times of the year when I contract with a Temp company. I may not be able to do that now. Those workers like to work long hour and for me, the job gets done quickly. But if I have to pay overtime I would rethink my operation and maybe use a chemical to control those weed instead of hand labor.

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. With every bill passed that increases or adds a tax or a regulation, that cuts into my bottom line and I have to adjust my budget to fit an income that is a moving target based on yield and price, which I have no certain control over either one. I know it is not the goal of these bills to reduce employee take-home pay, but HB 2358 and SB 616 demand wages that are not possible with the economics of agriculture and will result in reduced pay and hours for farm employees.

I am very concerned that this policy hasn't been well-vetted and will actually harm those it intends to help.

Please oppose HB 2358 and SB 616 this session. These bills would negatively impact not only family farmers and ranchers in Oregon, but also agricultural workers!

Respectfully Submitted

Clinton R Carlson

Lone, OR, Morrow County

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