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Chair Holvey, Vice-Chairs Bonham and Graber, and members of the committee:

My name is Jason Scharf and I am a 4<sup>th</sup> generation farmer in Polk County. We farm about 2,500 acres and have about 24 employees during harvest. Of those employees about 16 are year-round. We also have three family members employed year-round and four additional that help in the summer. Most of our year-round employees have been with us for many years. Our mechanic has been with us for over 40 years and our seed cleaning/warehouse manager has been with us for over 30. Our employees are like our family, and many of them are related to each other. They are brothers, cousins and we even have a father and son working together in the summer.

Our employees not only work on our farm property they help work in our seed cleaner. The seed cleaner processes crops belonging to multiple farms in our area and therefore it is considered manufacturing and is already subject to the over time rules.

In 2016 when Oregon instituted the minimum wage requirements in SB1532, we knew it would be a hit for us. We were already paying above the minimum determined by the legislature, but to retain employees we would have to stay ahead of the new mandated annual minimums. Since SB1532, our employee pay has risen by 30-50% just to stay ahead of the legislated 15% increase over the same time frame.

Now this committee is considering HB2358 that would require us to pay mandatory overtime. What this will mean to our farm is far more drastic than the legislation from 2016. Here are a few steps we may have to take if the bill passes.

- Our mechanic worked ~2,800 hours last year. He currently is not subject to the overtime rule. Had overtime been required he would have been paid an additional \$27,600. Mandatory OT will most likely mean that his hours will be reduced. For him, this means no more doing what he likes. At the end of harvest, his respite from a long season is sitting in a tractor working ground. He enjoys this as it gives him a much-needed break from fixing broken stuff all year. However, paying a tractor driver overtime mechanic wages is poor business management. My guess is he will retire early.
- Our employees like to work. Non-warehouse employees who are not currently subject to over-time, when given the option to pick up hours on a Saturday, always jump at it. During peak times they can often work 6 days a week 10hr shifts. The new OT mandate would mean 20 hours of overtime per employee. If there are 4 employees doing that then it would potentially be cost effective to hire 2 more employees at 40 hours a week and cut the hours of the current employees. Here is the challenge with that.
  - In the last 2 weeks I have had two new hires no show. Labor is just not available. These are jobs that start at well above the current Oregon mandated \$12.00hr.
  - If we cut their hours to 40 hours a week, they will leave for other jobs or they will take on second jobs in the evening or weekends to make up for the lost wages. Remember, they are family and carpool to work together, if one goes so do others.
  - If they do stay, the employees work at various locations on the farm. Now we may need to purchase an additional bus or van to move them around or make multiple trips, as well as additional restroom and field sanitation options.
  - There is also the additional mandates and requirements that go along with employers having over 25 employees.

There is no benefit to the worker or the farmer in approving mandatory overtime for ag workers. It WILL mean lost jobs for farm workers, and it may very well also mean the loss of family farms altogether.

I strongly urge you to vote NO on HB2358

Regards,

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