



A&R SPADA FARMS LLC

P.O. Box 157 7251 St. Paul Hwy NE

St. Paul, Oregon 97137

P: 503-633-2941 F: 503-633-2939

www.spadafarms.com

Re: Opposition to HB2358, no longer exempting Agriculture from overtime

My name is Kevin Spada, I am a fourth generation farmer and my family grows nursery stock, wheat, grass seed, hazelnuts, and more in Marion County. We employ around 100-120 employees. Many of our current workforce represent at least two generations. I want to share with you my concerns about the real impact of HB 2358 on both my farm and my employees, which is scheduled for a public hearing in the House Business and Labor Committee on March 8th.

HB 2358 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 because of the unique seasonal nature of agricultural production, affecting both the total period when agricultural activities can be pursued and the days within the "season" when work can be performed.

HB 2358 proposes the most aggressive overtime policy in the country, which would be devastating for local farmers and our employees, who are already struggling financially, especially given the pandemic, forest fires, and recent ice storm. HB 2358 does not take into account that all a farmer does is at the mercy of Mother Nature- wind, rain, snow, ice, sun can either dramatically limit a work day or cause a great deal more of work in one day or the need to finish a task within a certain period of time. For example, harvesting hazelnuts absolutely cannot be done with any dampness.

Also as a farmer, I am a price taker, which means 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. That's the economic reality I deal with every day, especially with the pandemic, forest fires, and recent ice storm.

I will not be able to afford the added payroll costs proposed in HB 2358, as it will likely cost me well over a million dollars 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 this bill. Farmers and ranchers will have to mechanize operations, transition to less labor-intensive crops, or even move outside of Oregon to stay in business. Farm employees are at risk of losing their jobs if downsizing, switching crops, or mechanizing are the only options available to a farm or ranch. If this bill passes, I will need to seriously downsize & move to less labor intensive crops to stay in business.

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

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

Please oppose HB 2358 this session. This bills would negatively impact not only family farmers and ranchers in Oregon, but also agricultural workers! We care deeply about our employees and their families. We want to be able to continue to provide employment, support the community, and farm the land that has been part of the family for generations. For the reasons outlined above, I strongly implore that HB2358 is opposed.

Sincerely,



Kevin Spada
A & R SPADA FARMS, LLC