

March 29, 2021

To: Oregon House Committee on Business and Labor  
From: Mark Brenner, University of Oregon Labor Education and Research Center  
Re: Testimony on House Bill 2358

Chair Holvey and members of the Committee:

As this committee is keenly aware, farm work is among the most difficult, poorly remunerated occupations in the state. Furthermore, because of the legacy of racism in this country, farmworkers have also been excluded from most basic federal labor protections.

This means that more than 85,000 farmworkers across Oregon, nearly a third of whom are migrants, depend on you and your colleagues to protect their interests and ensure minimum labor standards are established and maintained throughout the state.

HB2358 would place Oregon among a growing number of states that recognize the importance of including farmworkers in our overtime rules.

California passed farmworker overtime legislation in 2016, and a similar measure is moving through statehouse in Olympia, after a Washington State Supreme Court ruling last November requiring overtime for the state's dairy workers.

As a labor economist who's been studying the impact of wage policies like HB2358 for the past 25 years, I'm here today to share what we know from prior research.

But before we can actually examine the facts, we must first dispel with the fiction.

This committee has heard from growers and other industry advocates who claim that HB2358 will be devastating to Oregon's agricultural economy. The Oregon Farm Bureau, for example recently released survey results claiming that 91% of employers could not absorb overtime costs, and that more than half would either rework schedules or lay off farmworkers if HB2358 is adopted.

One grower called this bill "an existential threat to Oregon agriculture," and another claimed "this would kill a lot of jobs and eventually force people to move operations out of Oregon."

I'm here today to tell you that since Massachusetts enacted the country's first minimum wage law in 1912, employers have appeared before committees like yours and predicted dire economic consequences for every worker protection that lawmakers have ever considered.

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Despite this outcry, economic devastation and mass unemployment never materializes.

And no one has cried wolf more often than growers and agricultural industry lobbyists.

For example, in 1975 when the California Industrial Safety Board considered requiring employers to provide farmworkers with long-handled rather than short-handled hoes, in order to reduce the most extreme stoop labor, a prominent lettuce grower testified that “It will cost a fortune if we are stopped from using the short-handled hoe. If you ban this tool ... you will bankrupt California’s largest industry.” California did indeed ban the short-handled hoe, and despite predictions to the contrary, the state’s lettuce industry continues to thrive.

In 2019 when New York mandated overtime pay after 60 hours per week for agricultural workers, the New York Farm Bureau forecast that the bill “could dramatically change agriculture and hurt our rural economy.” Contrary to these ominous predictions, milk production, the state’s most valuable agricultural export, increased 2.2 percent last year.

More recently, after the Washington State Supreme Court ruled that dairy workers cannot be excluded from the state’s overtime protections, dairy employers argued that paying overtime would put them out of business. But to my knowledge the Washington State Dairy Federation has not identified a single dairy employer that has gone out of business as a result of paying overtime.

The reason for this is straightforward—labor costs are a small share of agricultural employers’ overall costs. And any potential increase associated with paying overtime adds up to a small proportion of total labor costs.

Put these two facts together and what it demonstrates is that overtime coverage for farmworkers will not significantly raise costs for employers, but will be a tremendous benefit for farmworkers. And the relevant empirical research shows this to be true.

For example, last year economists at the University of Massachusetts estimated that paying the state’s farmworkers overtime would increase the total wage bill for growers by 5%, which amounted to less than 1.6% of the average farm’s revenue. Assuming all these costs were passed on to consumers, this meant:

- The price of an average gallon of milk would increase from \$3.50 to \$3.52.
- The price of a pound of asparagus would increase from \$2.50 to \$2.51.
- The price of a pint a blueberries would increase from \$3.00 to \$3.02.

By contrast, earnings for the average farmworker with overtime hours would increase by 16.7%.

Researchers at the Fiscal Policy Institute came to similar conclusions examining New York’s farmworker overtime bill, and here in Oregon the costs would likely be even lower.



According to the last agricultural census, labor costs in Oregon account for less than 25% of total agricultural operations costs. Indeed, Oregon's growers pay more for feed and seed, along with fertilizer and other chemicals, than they do for labor.

If the state's growers saw labor costs increase by 5% as a result of HB2358 (similar to the estimates from Massachusetts) that would translate into a 1.3% increase overall costs, or less than 1% of overall revenue.

Cost increases of this magnitude can hardly be seen as an existential threat to Oregon's agricultural industry, nor do they justify the intense opposition to HB2358 that we've witnessed this year.

The evidence is clear that Oregon's growers can afford to pay overtime to the state's farmworkers, and this commonsense protection is long overdue.

Thank you again for the opportunity to testify.

**Sources:**

[Oregon Farm Bureau Overtime Survey](#), 2021.

Salinas Valley lettuce grower [Tom Merrill's testimony](#) during the Industrial Safety Board hearings, Thursday, March 27, 1975.

New York Farm Bureau quoted in David Dyssegaard Kallick and Daniel Costa "[Farmworkers in New York deserve overtime pay](#)", Economic Policy Institute, June 7, 2019.

[New York milk production figures](#), December 2019 and 2020 from the USDA.

Updates from the [Washington State Dairy Federation](#).

For the overtime estimates for Massachusetts farmworkers, see Jeannette Wicks-Lim, June 2020. "[Estimates of the Potential Costs and Benefits of Extending Overtime Pay Eligibility to All Farmworkers in Massachusetts](#)." Political Economy Research Institute, University of Massachusetts-Amherst.

For the analysis of New York, see David Dyssegaard Kallick, Margaret Gray, and Olivia Heffernan, "[Farm Workers' Overtime Pay Is Affordable and Long Overdue](#)," Fiscal Policy Institute, May 2019.

[Oregon agricultural census estimates](#) are from 2017, available from the USDA.