

Submitter: Denver Pugh

On Behalf Of:

Committee: House Committee On Business and Labor

Measure: HB4002

My name is Denver Pugh and I am a sixth generation farmer in the Shedd area where I grow up to 9 different seed crops from turf and forage grasses to cover crops, forage legumes for pasture blends, wheat and hazel nuts. I employ 8 full-time year round employees plus an addition 10 for summer harvest and fall planting prep. I am concerned about the impact that HB 4002, the Ag overtime proposal, would have on my farm and employees. I do everything I can to compensate employees fairly, but as a farmer, I am a price taker. This means that I cannot increase the sale price of my crops when labor costs increase. Consumers in the global commodity market set our prices. Any added costs will have to be absorbed by my family's farm. That's the economic reality for those of us in agriculture.

Oregon's specialty crops are labor intensive and have peak seasonal needs, including harvesting, pruning, and planting. This bill will likely cost me 25% more in new labor costs that I can't afford. To remain in business, I will be forced to limit the number of hours that employees work to 40 hours per week, mechanize or transition to less labor-intensive crops to avoid the added expense of overtime pay. I do not want to do this, but that is the practical reality.

Farmers have been clear about the consequences of this policy, but I'm also worried that farm employees will see their paychecks reduced or jobs cut if overtime pay is required after 40-hours.

As a family business, we can't operate at a loss year-over-year. Mandating overtime after 40-hours demands wages that are not possible with the economics of agriculture and will result in reduced pay and opportunities for farm employees. Only seven states have adopted ag overtime policies, and most have crafted policies that ensure that local farms can remain viable and that employees' jobs and paychecks are protected. Several states have adopted policies to meet seasonal needs and others established higher overtime thresholds that help avoid some of the worst consequences.

Further more, when I've explained what is going to happen to my employees they ask, why. They see the value in working the longer hours without the necessity of overtime. They understand that if this passes, over all hours will be reduced which means their pay will be cut. Summer bonus's will be no more and I will be forced to drop the pay rate to current minimum wage instead of the premium I pay that is over the state mandated minimum wage rate. Moving away to a state not mandating Ag overtime has been talked about with my employees. Unfortunately, my business is in

Oregon and I do not have that option. This will only force me to either automate as much as I possibly can or hire twice the number of people to keep everyone below the 40 hour week. Unfortunately, I already struggle finding employees now. I'm not sure how I'll find twice as many if this passes.

If you actually are reading this, I implore you to PLEASE listen to the workers who this will negatively effect along with all the small Ag business owners. This is not the solution. Look to our neighbors to the north and south who have already implemented such rules and hear how this has had a negative impact not a positive one. Help save Oregon farm workers and their families by not implementing Ag overtime.

As someone who stands to lose their family business, I urge you to oppose an overtime mandate at 40-hours in HB 4002.