

Opposition to HB 4002

I believe that HB 4002 is unnecessary, unwanted and ultimately harmful to both employees and employers in Oregon's agricultural community. It is unnecessary because the shortage of labor in general and in agriculture specifically has empowered workers in a way that is unprecedented. It is unwanted by employers because it will increase our costs and by employees because it will likely reduce their overall income or require them to work multiple jobs to maintain their current income levels.

If you drive down any street in Oregon dotted by businesses you will see a familiar sign in most storefronts HELP WANTED, drive down any two lane road and as you pass one farmstead after another you probably are not going to see that familiar sign but pull in to the shop or corrals and ask if they are short-handed and nine times in ten the answer will be yes. In production agriculture we have been grappling with labor shortages for years and it is getting worse. In an attempt to compete during the past decade we have more than doubled wages for top level employees and increased wages for entry level employees by more than fifty percent. We currently have top level employees earning \$40/hour and entry level employees starting out at \$19/hour both of which exceed what would be overtime if we were paying minimum wage. We have raised wages because the worker has the power in our relationship and I don't believe that is going to change anytime in the near future. This is why HB4002 is unnecessary. The marketplace works.

Unlike all of the business owners with help wanted signs in their storefronts we were not able to pass on increased labor costs to our customers. We have had to become more efficient, reduce labor or settle for less profit. Over the last decade as wages on our farm have doubled we have reduced our fulltime workforce by thirty to forty percent. We have done this by becoming more efficient, outsourcing labor, and reducing entry level opportunities. The implementation of overtime rules will only accelerate these strategies. We will figure out how to make this change work with our \$40/hour employees they are too valuable to let go. This will not be the case for entry level workers. The work entry level employees are tasked with will be mechanized or eliminated. While we make the transition these employees will be limited to the number of hours per week that keeps them below the overtime threshold. Unless they work multiple jobs they will see their annual income decrease. We don't want to do this, many employees become a kind of extended family, but the harsh reality is we will have no choice if we want to remain profitable. HB 4002 will force us to look for alternatives to lessor skilled labor and we will find other options. Employees we see their annual earning potential with a single employer reduced and ultimately many of them will need to work multiple jobs to earn the same annual income they do today. This is why employers and employees alike don't want to see HB4002 become law.

I am certain that if passed this bill will reduce producer profitability, increase mechanization, increase employee turnover, and likely reduce the number of year round jobs in production agriculture. While a small number of employees will see benefits in the short term while producers change the way they do business. Long term this will benefit very few of the people you believe it is going to help the most. Ultimately HB 4002 is bad for producers and bad for employees.

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