



February 8, 2022

The Honorable Paul Holvey
Chair, House Committee on Business and Labor
900 Court St. NE
Salem, OR 97301

Chair Holvey and members of the House Committee on Business and Labor:

On behalf of the Oregon Wine Council, which represents over fifty percent of the Oregon wine grapes grown, produced and sold, thank you for the opportunity to voice our concern with the current draft of House Bill 4002, and our desire to find a workable legislative compromise on ag overtime.

As you know, impacted agriculture industry stakeholders have been participating in good faith negotiations with other stakeholders and legislators to find a solution to this issue that will work for Oregon. As we came to the end of a nearly year-long process, we were disappointed that many advocates were unwilling to work together to find a compromise that will support both workers and farmers.

As currently drafted, this proposal will have a disproportionate impact on Oregon's small vineyards and businesses. There are currently 1,370 vineyards in Oregon that encompass a total of 39,531 acres, which means that the average vineyard size in Oregon is about 29 acres. Approximately 75% of wineries in Oregon produce less than 5,000 cases, meaning the vast majority of our industry are small producers and businesses. Our operations are nowhere near the size of those in California and Washington. These small businesses – and the workers they employ – will bear the burden of this proposal, threatening both current take home pay for workers and the viability of family farms.

Agriculture has traditionally operated differently than other industries due to the seasonality and the time-sensitive nature of most crops. Wine grapes are no different. The wine grape growers we represent experience three different peak seasons when additional worker hours are required to ensure the wine grapes are properly tended to. These peak periods include an approximate 4–6-week period in August/September for harvest, a 10-week period for canopy management extending from Memorial Day through August, and a 6-8 week period in the winter for pruning. Due to the seasonality and labor requirements of wine grapes, many vineyard workers often work more than 40 weeks during these peak periods.

Unfortunately, most vineyard operators would be unable to cover their costs if they were required to pay overtime for every worker working above 40 hours every week out of the year. The vast majority of growers will be forced to limit the number of hours that employees work to 40 hours per week or mechanize their operations to avoid the added expense of overtime pay. While many of our members would welcome the opportunity to increase their workers' compensation – and many already pay well

above minimum wage – paying all workers overtime during peak seasons is simply not economically feasible and would result in an overall decrease in take home pay for most workers.

We have already seen these impacts in places that have implemented overtime laws, such as California. One of our members who also has operations in California said they have seen a 30% increased burden year over year for hourly wages over the last four years for domestic employees with the phased implementation of the overtime cap. As a result, their operations have been forced to cut employee hours from 60 hours a week during peak season to 45 hours for many employees.

We want to work with legislators to find a solution to this difficult issue. HB 4002 as currently drafted will not help farms or farmworkers because there's no certainty, and our members will not be able to pay their employees overtime and hope the tax credit is available. They will have to determine what they can afford and make changes to how they manage employees and operations based on the policy. Our vineyard workers are an important part of our wine industry family. They are highly skilled, and many have been in our employ for years and even decades. Many growers provide annual employment, ensuring that workers have steady and stable income from year to year and several provide health care benefits, housing benefits, retirement benefits, paid vacation and other employee benefits that will likely be scaled back to address the overtime issue. In addition, due to worker shortages and increased competition for farmworkers in Oregon, many vineyards already pay their workers well above Oregon's annually increasing minimum wage.

While we have concerns with the bill as currently drafted, we look forward to finding a reasonable legislative solution that will ensure that farms can remain viable *and* that workers' paychecks are protected. Several states have adopted policies to meet seasonal needs and others established higher overtime thresholds that helped avoid some of the worst consequences. We urge you to similarly consider adapting Oregon's policy to account for the seasonality of agricultural crops in order to protect both family farmers and workers' paychecks.

Thank you for taking the time to get this right for Oregon farmers and workers and for finding a solution during this legislative session.

Sincerely,

Fawn Barrie
Executive Director
Oregon Wine Council