

Submitter: Rod Frahn
On Behalf Of: Oppose HB 4002
Committee: Joint Committee On Farm Worker Overtime
Measure: HB4002

I am a farmer and have agricultural employees, many of whom come back to my farm year after year. I am concerned about the impact that HB 4002A, 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 thousands 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. The tax credit provided in the bill is not a durable solution, and I will have to begin the transition away from labor immediately.

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. I also may not be able to provide health care, provide free housing, provide free vehicle, pay end-of-season bonuses or any number of incentives that are common to attract skilled labor in agriculture.

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.

A tax credit is not a workable or durable solution to farmers paying for overtime. Tax credits will be phased out as soon as a recession hits, cannot be enacted in perpetuity, and, as crafted, phase down when growers will need them most. We need a workable and durable solution that can only be found by adjusting the structure of the overtime proposal to account for the seasonal and year-round needs

of the agriculture industry.

As someone who stands to lose their family business, I urge you to oppose an overtime mandate at 40-hours in HB 4002A. We would rather take our chances making our case to BOLI than deal with the immediate consequences of the passage of HB 4002A for my farm and my employees. Please help us save agricultural jobs and family farmers - VOTE NO ON HB 4002A!