

Submitter: Troy South
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, already paying well over minimum wage. If this takes effect, I will likely either have to reduce the base wage to make room for overtime, cut hours or just stop farming. As a mom and pop operation, we already take a meager wage for ourselves and this would make it not worth the while. 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 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, or reduce base wages. We cannot mechanize or easily transition to a new crop as our land is specific to what we grow (Christmas trees) and does not have irrigation. 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. The tax credit also creates more paperwork to be submitted to the state, which there is too much already!

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 will not be able to pay end-of-season bonuses or any number of incentives that are common to attract skilled labor in agriculture. Currently, we allow our employees to work as many hours as they want to in the off season at a very fair wage, if overtime is required, we will definitely have to cut hours, which will likely mean we lose employees and then when it comes time to harvest we quite literally will not be able to.

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!