



## **House Committee on Labor & Workforce Standards**

**March 12, 2025**

### **Oregon Farm Bureau Opposes House Bill 2548 and -2 Amendment**

Oregon Farm Bureau (“OFB”) is the state’s largest general agriculture organization, representing over 6,500 family farms and ranches that produce more than 220 agricultural commodities. From fresh flowers and hazelnuts to cattle, blueberries, and timber, with operations spanning just a few acres to thousands, our members utilize all farming methods including organic, conventional, regenerative, biotech, and even no-tech.

HB 2548 is the most alarming and damaging bill we have ever seen put forward by the legislature. It was crafted without input from agricultural employers and is built on the false assumption that farmworkers are excluded from workplace protections available to other workers. This bill imagines that all farm employers are abusing workers and unionizes the entire sector in response. This assumption could not be further from the truth. Farmers and ranchers value their employees and pay them as much as they can afford given the very thin margins. Farm work is hard; the hours are long; and the work is physically demanding – our farmers are working out in the fields right alongside farmworkers.

### **Oregon’s farm and ranch families are price takers.**

96% of Oregon’s farms and ranches are family owned,<sup>1</sup> and they compete in a global economy. As prices for inputs—labor, chemicals, energy, and transportation—in Oregon rise, farmers and ranchers cannot raise the price of their commodities, meaning that they are often forced to sell at a loss. If the margins become too thin, producers will either move to a different commodity where margins are better or go out of business entirely. This is not hyperbole. Just talk to our farmers. Since the enactment of HB 4002 (2022), for example, OFB has seen the conversion of row crops and vegetables to non-food crops, and a change of ownership for blueberries and orchards to larger companies who can operate with economies of scale. Labor costs aren’t the only economic driver, but they are significant for specialty crop growers.

Many of Oregon’s most beloved commodities rely heavily on agricultural labor, which has become the driving cost for farmers of those commodities over the past decade as wages, benefits, and the cost of employing workers has risen. Over the last decade, Oregon has

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<sup>1</sup>[https://www.nass.usda.gov/Statistics\\_by\\_State/Oregon/Publications/Current\\_News\\_Release/2024/OR%20News%20Release%20Ag%20Census%20FINAL.pdf](https://www.nass.usda.gov/Statistics_by_State/Oregon/Publications/Current_News_Release/2024/OR%20News%20Release%20Ag%20Census%20FINAL.pdf)

adopted policies that increase regulatory and workforce costs well above other states and countries. Oregon's **labor costs are already 70% higher than the U.S. average.**<sup>2</sup> Our farmers have come to see their margins become increasingly tighter, and many small and medium-sized farms are leaving the state (e.g. **Oregon lost 6% of farms** between the 2017 and 2022 census). Nationally, **producers experienced a 55% increase in farm bankruptcies** in 2024.

Across all sectors, Oregon farmers and ranchers are seeing agricultural production leave the state and the nation. Particularly for food crops, we face increasing competition from Central and South America, where the cost of labor is dollars a day and environmental regulations are much less stringent. We hear every day of grocery retailers and other distributors shifting their buying to Central and South America. HB 2548's proposed cost increases will only serve to hasten the transition of our food production out of Oregon and a trend toward the consolidation of agricultural land.

New York's wage board is limited to overtime. Testimony submitted by proponents touts the New York Farmworker Wage Board as a successful model for farmworker wage boards, but the New York Wage Board's authority was very limited. In 2019, New York authorized a wage board with the ability to recommend regulations related to agricultural overtime. In 2023, the Board completed its statutory task, recommending a phase-in of overtime through 2032. The Legislature and Governor of New York then passed a tax credit to cover 118% of the incremental cost of overtime for farms between 40 and 60 hours<sup>3</sup>—essentially paying for the wage board's recommendation to prevent the closure of family farms.

Similar to New York, the 2022 legislature understood the financial reality that family farms and ranches face. As part of the agricultural overtime mandate in HB 4002 (2022), the Oregon legislature put forward a package of loans, tax credits, and net operating loss carry-back to provide financial support to farms as overtime was phased in. Unfortunately, those tools have not been widely used by employers (they aren't tailored to the needs of farms), and many workers have seen their hours cut in response.

### **Farm work is regulated and protected in Oregon.**

The testimony from proponents on HB 2548 is largely based on the misleading premise that Oregon's farmworkers lack basic workplace protections. **That is false.** The bill also incorrectly assumes that workers and advocates can establish their own work schedules and higher wages *without* consequence.

The first fallacy is easily disproved by reviewing worker and employer resources provided by BOLI, Oregon Employment, DCBS/OR-OSHA, and other state agencies. Farmworkers

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<sup>2</sup> <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/PublicTestimonyDocument/146646>

<sup>3</sup> <https://agriculture.ny.gov/farming/farm-employer-overtime-credit-advance>

currently benefit from many of same workplace protections as workers in other sectors, and some ag-specific regulations go far beyond other sectors.<sup>4</sup>

The second assumption—that the Board can adopt new wage rates and regulations without consequence—has been contradicted with the rollout of ag overtime.<sup>5</sup> Just as they did to control costs associated with overtime pay, farms and ranches will take immediate action to control costs created by this unelected Board—laying off employees, cutting hours, changing crops to less labor-intensive options or selling to larger companies or out-of-state investors. Farms cannot afford what is proposed by HB 2548, and the only way for some to control costs is to eliminate jobs.

### **The -2 amendment will devastate family farms and ranches.**

OFB was not involved in conversations in the interim regarding HB 2548, nor were we consulted in the drafting of the -2 amendment. OFB did participate in conversations with Representative Valderrama and proponents where we shared the economic constraints that family farms face, the impacts of overtime, and how unworkable the Board and “for cause” termination provisions are for family businesses. None of that feedback was reflected in the amendment.

Our concerns with the proposed Board and amendment include but are not limited to:

#### **(1) The Board is not accountable for outcomes.**

OFB does not understand why the Legislature would grant law-writing authority to an unelected and unaccountable governing body and abdicate its role. At a time when Oregonians are asking for more accountability, and Governor Kotek has rolled out accountability measures for state agencies and schools, HB 2548 delegates lawmaking authority to a Board that will bear none of the consequences for the policies it puts forward. Who could employers appeal to if the Board put forward unaffordable wage rates or safety measures that shutter workplace housing? The legislature has already established and authorized workplace protections that apply to farm employees: minimum wage, rest breaks, sick time, Paid Family and Medical Leave, Workers’ Compensation, Unemployment Insurance, retaliation and discrimination protections, whistleblowing protections, the Right to Refuse Dangerous Work, and safety protections adopted by OR-OSHA under the Oregon Safe Employment Act. Why would legislators allow the creation of a Board that circumvents its authority?

#### **(2) Section 2’s Board composition is biased against employers.**

Section 2 proposes an 11-member board with built-in bias to ensure that proponents have the upper hand in regulation setting. The public member seat is clearly designated for

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<sup>4</sup> <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/PublicTestimonyDocument/146527>

<sup>5</sup> <https://oregoncapitalchronicle.com/2025/02/25/review-of-farm-payrolls-shows-higher-wages-lower-annual-earnings-since-agricultural-overtime-law/>

Oregon Law Center, Northwest Workers Justice Project, or a similar plaintiffs' attorney organization. Further, providing OR-OSHA with two voting seats all but ensures that every proposed "safety" regulation is adopted by the Board. OR-OSHA recently adopted regulations for ag labor housing ("ALH") that will cost farmers an average of \$1 million per operation to comply with. This agency is not hampered by economic data or feasibility concerns and is likely to rubber stamp proposals from the Board that it will then be directed to adopt.

**(3) Section 3 allows unelected bureaucrats to set their own pay.**

The -2 amendment allows Board members to set their own pay and determine which expenses are covered. We are unaware of any Board in Oregon that has this unchecked authority.

**(4) The Board's authority in Section 4 is boundless.**

There is no upper limit to the Board's authority. Minimum wages could be \$20, \$30, or \$50 per hour. The Board could establish work hours from 9-6 and eliminate crucial hours during harvest. The Board could require rest breaks every hour. The Board could establish heat regulations that prevent workers from working outside when the heat index reaches 75 degrees Fahrenheit or below 50 degrees Fahrenheit. The Board could decide that workplace housing is unsafe when located on the farm and eliminate 90% of the registered housing provided to workers. The Board's authority is not limited, nor is it accountable to workers or employers for the impacts of its rules. Policies have consequences, and HB 2548's consequences will be devastating for farm families and workers alike.

**(5) Training requirements in Section 5 are a logistical nightmare.**

According to the 2022 USDA Ag Census, there are approximately 8,700 farms who employ over 72,000 workers.<sup>6</sup> Section 5 requires training on worker rights and regulations for all workers, including new hires before they start, and provides a mechanism for worker organizations to become certified to offer the training to workers. With 8,700 farms hiring 72,000 workers on a year-round or seasonal basis, how will such a training program be implemented? This requirement could not be met with existing worker organizations and resources. Not only do they lack geographic diversity, but production needs (pruning, harvest, irrigation, or sheering) often must occur during a very specific timeframe. Employers could not wait for certified training services to be provided before work begins; crops would not be marketable. How many trainers will be certified? If 300 operations need training on a particular Monday before harvest, can worker organizations meet that demand? This provision makes no sense with the diverse needs of Oregon's agricultural economy, especially during harvest.

An additional concern is that the training requirements essentially disallow workers from choosing to work for employers who offer the best pay rate. This is common in agriculture, and workers often look for employers who can offer the best wage rate. But the training

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<sup>6</sup> <https://olis.oregonlegislature.gov/liz/2025R1/Downloads/PublicTestimonyDocument/147384>

requirement would eliminate that opportunity for workers by requiring the employer to provide the training before the new hire's start date. That assumes that only worker organizations can provide the training, and section 5 is unclear.

**(6) Section 10 eliminates at-will employment only for agriculture.**

Oregon is one of 49 states with at-will employment. In an at-will employment relationship, both employers and employees can terminate the employment relationship without notice or cause, except in specific cases like public sector employment or contracts. However, even in an at-will relationship, employers may not terminate employees for discriminatory reasons: whistleblowing, discrimination or retaliation. All industry sectors in Oregon are considered at-will, including farms and ranches.

HB 2548 would dramatically alter the employment landscape in Oregon, eliminating at-will employment for agriculture and creating significant challenges and litigation risk for agricultural employers. HB 2548 shifts the burden of proof by requiring that family farms prove the reasonableness of a termination decision. Farming is incredibly unpredictable; this industry does not operate on a 9-5 schedule and must contend with weather events, trade pressures, market conditions, pest and disease, and yield challenges.

Employment decisions on the farm depend on any number of factors. Yet, under HB 2548, workers' jobs are protected unless the farm can demonstrate misconduct, unsatisfactory performance, or a genuine economic need to eliminate their position. The problem for agriculture is that genuine economic need can occur overnight and impact yields. Natural weather occurrences, like frost, smoke, rain, or heat, also can impact the marketability of commodities produced in Oregon. And unlike corporations with shareholders, the farm family is left fending off litigation claims for wrongful termination with every employment decision they make.

Many Oregon farms are already struggling with poor yields and low commodity prices. Most will spend the next several years recovering from cash losses incurred in 2023 and 2024. HB 2548 adds another layer of uncertainty that could force family farms into financial ruin and makes it harder for employers to navigate the unpredictability of farming.

**(7) Family farms will fall victim to a cottage industry of litigation.**

The "for cause" termination requirements are enforced through a private right of action and BOLI, allowing workers to sue farmers if they disagree with the employer's decision. Our member families would be vulnerable to costly litigation. These operations already face enormous financial strain. It costs around \$75,000 just to settle a claim before it reaches court. Taking a claim all the way to court to defend oneself often costs hundreds of thousands of dollars. State-funded plaintiffs groups do not face the same financial strain, so they can continue to bring legal motions against the farm until the farm runs out of money. Adding legal risks and claims for employment decisions will substantially increase financial pressures, especially for small, family-run operations.

Section 15's lawsuit provisions are particularly outrageous. In addition to the rights and remedies currently afforded under Oregon law, the bill allows for compensatory damages and emotional damages as a tool to enforce Board-adopted regulations and "for cause" termination requirements. Emotional damages... these are family businesses, and HB 2548 treats them like corporate criminals. Additionally, the amendment only awards attorney fees to the prevailing plaintiff. Farms who successfully defend themselves can't recover their costs. These provisions are shocking—again, assuming that farmers are exploiting and abusing workers—and encourage a cottage industry of lawsuits against small and mid-sized farms who will be forced into costly settlements to avoid losing the farm.

HB 2548 threatens the livelihood of family farms and ranches by imposing unnecessary legal burdens. It increases costs and limits the flexibility needed to manage agricultural businesses. At a time when family farms are struggling to stay afloat, the legislature should reject this punitive concept.

**Please oppose this dangerous bill.** Agriculture will not survive.