Dear House Committee on Labor & Workforce Standards,

My name is Ryan Eder, and I grow/raise row crops, vegetable seeds, grass seed and hazelnuts in the Willamette Valley. Please oppose HB 2548. This is a very negative bill for farm employers.

Oregon already has some of the highest labor cost in the country. Farmers generally don't get to set prices for their commodities, so there is no way to recover the increased cost passed by the new governing Board.

Farm workers are currently protected by very strong workplace regulations such as paid sick time and minimum wage. Oregon OSHA has one of the highest worksite inspection rates and has adopted some of the most expansive workplace protections in the country. What real issue is this bill trying to solve?

HB 2548 gives unelected bureaucrats the power to set wages and safety rules that go far beyond current protections, adding more regulatory and cost burden to farms. There is no accountability for the decisions they make, even if their decisions ultimately close farms or result in layoffs.

I am strongly opposed to the proposal in HB 2548 that eliminates at-will employment for farms and ranches. HB 2548 carves out farms and puts us at risk for costly claims for making necessary staffing decisions. All other private sectors in Oregon enjoy at-will status, but farms—whose employment needs are impacted by weather, yields, trade and market conditions, pests and diseases—would not. This is unfair.

This bill doesn't help workers or consumers; it just makes farming harder and more expensive. Many farms have already had to reduce worker hours, change crops, or automate to control labor costs associated with overtime; HB 2548 would have more severe consequences and could indeed harm those individuals whom it was intended to help and protect.

On the following pages I have attached an article from the Capital Press discussing a study on Oregon's new ag overtime laws.

I urge you to vote no on HB 2548 to protect Oregon farms and ranches and the jobs we currently provide.

Thank you for your time,

Ryan Eder

Article from Capital Press Friday, February 21, 2025 Volume 98 Number 8 Edition Economists:

Oregon overtime laws reduce profitability, worker earnings

Published 4:59 pm Thursday, February 13, 2025 By Kyle Odegard

A new study shows that Oregon's law phasing out ag overtime exemptions leads to lower paychecks for farmworkers. An economic analysis confirms what farmers already believed — Oregon's new agricultural overtime rules will negatively affect farm profitability and could decrease weekly earnings of workers. "Some workers will be better off, but many will be worse off," said Oregon State University economist Timothy Delbridge, in an interview. "I think the general public may be surprised by the worker side of things, but it's consistent with everything we've seen," he added. The report, from Delbridge and fellow OSU economist Jeff Reimer, used individual records of anonymous employee hours and wages. That information usually isn't available but was shared by businesses. Delbridge wrote on the OSU Applied Economics Outreach Blog that new overtime rules will cause a "period of disruption" for Oregon agriculture. "Farms will face strong pressure to minimize labor costs for their own financial survival, while also feeling pressure to provide enough work to retain their skilled and often long-term employees," Delbridge wrote. Some workers may seek second jobs, which could be outside of agriculture.

New rules

On Jan. 1, the Oregon agricultural overtime threshold dropped from 55 hours per week to 48 hours. It's set to fall again Jan. 1, 2027, and ag employees who exceed 40 hours per week will be entitled for "time-and-a-half" pay. Oregon follows California and Washington's lead with ag overtime policy and those states now are at the 40-hour threshold.

Different farm types

Payroll data from 2022 through November 2024 came from five dairies, three nurseries and two cherry growers to show the impact of overtime laws on different farm types. Cherry producers have a huge spike in labor needs during harvest, but relatively few overtime hours the rest of the year. Dairy and nursery business have peak seasons — summer for dairy, early spring for nurseries — but also have employees working more than 40 hours per week in all seasons. Dairies, with a high average number of hours per week, had the highest anticipated overtime costs.

Labor cost increases

At the 48-hour threshold just implemented the estimated increase in labor costs was 6.8% for dairies, 3.3% for cherry orchards and less than 1% for nurseries. At the 40-hour threshold, dairies are anticipated to see an 11.9% increase. Labor costs also are projected to rise 6.3% for cherry growers and 4.2% for nursery producers. Even a small increase in labor costs can have a huge impact on the profitability of some businesses, Delbridge wrote. Dairies and nurseries face competition from low-cost states without overtime laws and will be unable to pass on cost increases to consumers. The cherry industry is based in states that also have ag overtime laws, but it’s already struggling with profitability challenges.

Worker earnings decrease

While increasing worker earnings was a key goal of agricultural overtime legislation, that seems unlikely, Delbridge wrote. Farm managers will try to minimize overtime costs, including by reducing hours. With California’s new ag overtime rules, employees’ hours fell relative to the rest of the nation. Studies show average weekly earnings also dropped for many California ag employees. For some Oregon farms participating in the study, reducing the overtime threshold to 55 hours in 2023 resulted in fewer hours worked and less total wages for employees. Other operations didn’t trim hours but reduced year-end bonuses, or anticipated making substantial changes this year.