



Doerfler Farms

12333 Silver Falls Highway SE, Aumsville, OR 97325

Phone: (503) 769-2205 Fax: (503) 769-9450

February 2, 2015

To Whom It May Concern:

Doerfler Farms employs 60 high school and college students every summer during our grass seed and wheat harvest. Using 2014 hours and wages, raising the minimum to \$15 per hour would cost an additional \$130,000 per year for just these 60 seasonal employees.

We have 45 full time employees that make above the proposed \$15 per hour. However, their wages too will need to be increased. Someone who's been excited to make \$18 per hour, for example, will become dissatisfied because they would suddenly only be making \$3 more than a **16 year old kid who has zero experience**. Increasing the wages of these 45 employees, a similar increase, will cost an additional \$580,000. Throw increased workers comp, payroll taxes and retirement contributions into the equation plus \$40,000 in higher contract labor fees and the increase to Doerfler Farms is close to **\$900,000**. If the lesser increase proposed at \$12.20 is implemented, it will still place a burden in excess of **\$450,000** per year.

There has only been one year where we could afford to absorb that kind of increase in payroll. When we do have a profit, we don't take the money and run. Instead we pay taxes, reward employees, and we do capital improvements that we can't afford to do during tough years. These are dollars that are going back into our community. We recently met with a financial planner to discuss setting up a profit sharing plan. We can forget about that - there will be no profit to share!

We are **price takers**, not price setters, in our industry. Our products are sold on the global market. We don't have the ability to increase our prices and remain competitive. Even today, we're seeing a decrease in export sales because of the US dollar being strong. Europe and other countries that purchase our products already think we are too expensive. If seed prices go down a nickel, we are no longer able to absorb this kind of payroll increase.

Oregon exports 80% of our agricultural products. The rest of the world is not willing to pay a higher price just because Oregon has a high minimum wage. It will put Oregon's farmers and ranchers at an extreme disadvantage.

Raising the minimum wage by **62%** is going to have a ripple effect causing everything we purchase to cost more within our state. Grocery stores and restaurants can't pay higher wages without raising prices to their customers. The idea that small businesses have an unlimited pocket book is a misnomer and Oregon is made up of small business employers.

The Great Recession isn't too distant in the rearview mirror. How quickly we forget about the high unemployment levels! After a 30% drop in sales, we had a wage freeze in 2009. No one quit and no one complained. Our employees were happy to still have jobs and benefits. If our payroll increases by \$900,000, we will have **no choice but to automate as much as possible** – as will other employers. The

division between those with money and those without will become even greater as the **unemployment rate will surely increase.**

We take great pride in providing the youth in our area with job opportunities and teaching them a valuable work ethic. However, a person who is starting their first job ever should not make \$15 per hour. Rather than building a workforce that gets rewarded for hard work, we are promoting a society that feels entitled.

Please keep Oregon's minimum wage on the same CPI indexed growth pattern that we've seen for the past decade, rather than an unreasonable spike that business owners cannot afford.

Best regards,


Kent Doerfler


Kevin Doerfler


Amy Doerfler Phelan