

February 15, 2016

Honorable Paul Holvey, Chairman
House Business and Labor Committee

Chairman Holvey and members of the the Committee,

My name is Denver Pugh,

I am a sixth generation farmer in Shedd which is in the south-central part of Linn County. I am strongly opposed to SB 1532A or any other bill in support of an increase in minimum wage.

On my families farm we currently have four full time employees on top of the four family members who work on the farm. During the harvest season I hire on an additional five part time college age and above employees. As for my full time employees, I offer health benefits, retirement 401K matching plan, sick leave, and a higher than minimum, wage with overtime. My families farm has been offering these things all before any of them were state or federally mandated. Harvest employees are temporary jobs that require much training therefore we always pay an amount above the current minimum wage and most will receive a performance bonus at the end of their employment. Because of the wage and the amount of hours one can get in the summertime, I often can get summer employees to come back for multiple summers. This pays dividends in not having to retrain someone and therefore they will usually receive an increased wage for every year they return. All these things, I feel, give me a competitive advantage when finding and hiring both full time and part time employees.

If SB 1532A or any other bill increasing the minimum wage should pass, I would have to reconsider some of the programs I offer my employees. For my full time employees, my ability to match on a 401K would suffer as well as the ability to pay overtime. Returning part time harvest employees would not see an annual wage increases beyond the current minimum wage and the option for an end of season performance bonus would have to be eliminated as well.

The reasoning why my employees benefits would suffer with an increased minimum wage is relatively simple. In agriculture we are price takers. Most my inputs I have to purchase to make my crop a viable crop come from sources that I have no way of controlling. There are no bartering on prices of fertilizers, chemicals, or fuel. When it comes to selling my crop, I don't have much control over what prices I receive for my crop. If I don't like what the going market is, my only option is to just not sell and hope that the market will provide a better price down the road. If my input costs go up, such as a minimum wage increase, I can't simply put a higher price tag on my crop. One of the few things I can control are my employees wages and benefits. Unfortunately, if there is a minimum wage increase these extra benefits to my employees are what is going to suffer.

I feel that good employees are worth rewarding and the hourly wage is only one of the ways of doing this. I urge you to please don't take away my ability to do this or hurt my employees ability to receive other benefits that, as of now, I can provide. Please vote no on SB 1532A or any other increase in Oregon's minimum wage.

Sincerely yours,



Denver Pugh

Pugh Seed Farm, Inc.