

Chairman Holvey and members of the committee,

Good evening, my name is Karl Dettwyler and I am a third generation farmer in Marion County, Oregon. We raise blueberries, grass seed and hazelnuts. Each year we use contract labor to pick berries, work in the grass fields and prune crops. Last year I paid for roughly 35,000 hours of contract labor at 13.25 an hour. This is currently \$4.00 above the current minimum wage. As minimum wage goes up, my contract labor will also want an increase in pay. Under the current proposal, the minimum wage would be 13.50 per hour in my area by 2022. If I add \$4.00 an hour more to be consistent to what I am currently paying I end up paying \$17.50 an hour, which is an annual increase of about \$150000.00 per year. This difference represents more than our farms annual income over the last several years. In agriculture we have to accept what the market is paying at any given time. We are price takers and have to compete in a global market. I keep hearing people tell me they want local food, yet it's hard to compete against other states and other countries that can produce and ship products to our stores at a lower price point. This wage increase would put us at a huge disadvantage. If this passes, we will be looking for ways to cut jobs through automation or removing crops if they will no longer support a life on the farm. We have seen this time and time again. My local community of Silverton used to grow many acres of strawberries in the Silverton Hills. But, due to cost and lack of labor, we could no longer compete with other growing regions. If I understand this correctly, we are trying to help the roughly 100,000 individuals and families that are currently working minimum wage jobs. I worry about what other unintended consequences we will see from increasing the minimum wage. As we cannot raise our prices on the farm for the crops we grow we will see an increase on all of our inputs that we use on our farm whether it is fertilizer, fuel or equipment. I assume this will also affect many others as the cost of goods increase to support a higher wage. I suggest giving the lower wage earners a higher earned income tax credit, and the state cut some fluff out of its budget. By raising the minimum wage, I only see the state winning for a short period due to increased payroll tax receipts, until labor is slowly removed and or businesses slowly disappear and close their doors. Please Vote No until we can have a real discussion on the consequences this will bring to our state and it's economy.

Thank you,

Karl Dettwyler

Blue Line Farms Inc.