



OREGON
ASSOCIATION OF
NURSERIES

**Testimony before the House Business and Labor Committee
House Bill 2193 - relating to predictive scheduling**

By Jeff Stone, Executive Director
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Chair Holvey, Vice-Chairs Barreto and Bynum, members of the committee, my name is Jeff Stone and I serve as the Executive Director of the Oregon Association of Nurseries. Thank you for the opportunity to provide comments on House Bill 2193.

Vice Chairs Barreto and Bynum, I am grateful that you both were able to meet with my members when we held a lobby day a few weeks ago. During that time, we talked directly about the challenges facing the industry, how the nursery and greenhouse industry values its workers and entrusts them with the growing and selling of environmentally beneficial plants to every corner of our country, and how cumulative impacts of regulations harm the industry's competitiveness. We have concerns over House Bill 2193 and the purpose of submitting this testimony.

The Economic Footprint of the Nursery and Greenhouse Industry

The nursery and greenhouse industry is the state's second largest agricultural sector, and the industry ranks third in the nation, with over \$894 million in sales annually to customers in Oregon, the rest of the United States, and abroad. In fact, nearly 75% of the nursery stock grown in our state leaves our borders – with over half reaching markets east of the Mississippi River. We send ecologically friendly green products out of the state, and bring traded sector dollars back to Oregon.

Nursery association members represent wholesale plant growers, Christmas tree growers, retailers, and greenhouse operators. Our members are located throughout the state, with our largest nursery growing operations found in Clackamas, Marion, Washington, Yamhill and Multnomah Counties.

Predictive scheduling is not a good fit for agriculture

The association has watched carefully a number of proposals in legislatures and municipalities around the country requiring employers to provide employees with work schedules at least two weeks in advance, compensate workers if changes are made, and offer penalty wages if workers are called in at other than scheduled times. Being a good employer means that it is in their best interest to cultivate a dedicated and productive

workforce. That is what the nursery industry does to keep product growing and getting to market – but more so as an ethic.

My members are both wholesale and retail. Both workforces face seasonality that is part of the agricultural way of life. It is also one that is at the mercy of market orders and weather. The nursery industry is one that values hard work, healthy workers and balance between family and their employment, and a shared love for what they do. While we understand that the legislature may be aware of issues that a small segment of the workforce may face, certainly there are a number of remedies that could be deployed. The OAN feels that the mandates within SB 828, in practice, will hurt agricultural production and retail operations and reduce flexibility as a result. Reduced flexibility could be a significant deterrent to the morale of staff – especially if there are onerous restrictions on dealing with family situations.

Employees and employers shouldn't be penalized for bad weather.

Agriculture is very weather dependent. We only need to look at the winter storms last month as an example. Heavy snow inhibited trucks ability to dock at a nursery and the employees faced difficulty making it into work. That combination reduced the need within a small window of time to require employees to come to work. This dynamic is a known part of the business and work flow, that getting product to market is a priority. While retail and wholesale operations are impacted differently – flexibility for agricultural operations should be acknowledged.

Severe weather already has an adverse impact on businesses because it suppresses demand and can impact receiving critical materials or loading plants on a truck for delivery to a customer. For retailers, if businesses have to pay workers even when a store is closed or inaccessible to customers, they will take an additional financial hit. Add to this dynamic – the impact of state mandated minimum wage and sick leave costs and the cost of that day becomes a hardship.

When trucks come in, they need workers to handle it

Transportation is a key ingredient to getting nursery product to market. The nursery and greenhouse industry is very dependent on trucks to deliver product in a timely manner. Seasonality is a big component of the challenges HB 2193 inflicts on the agricultural community.

Logistical challenges exist for transportation in Oregon

During peak shipping months (March through May), availability of trucks for their refrigerated transportation service can be a challenge. The difficulty is that Oregon has a difficult time attracting enough inbound trucks. Nursery operations are very rate sensitive and having access to trucks and multimodal rail now and in the future is a major concern. The transportation reality and mentality of how product is ordered and shipped has been fundamentally altered after the big recession. Nursery customers desire “just in time” delivery of our green goods. HB 2193 turns a deaf ear to the reality of scheduling trucks in the nursery industry. It is important to note that when trucks arrive, it is “all hands on deck” to load plant material to get back on its way to the customer. While nursery

operators do their best to spread the arrival of the trucks out to manageable level, transportation systems don't always work that way.

Truck arrivals are not always within a nursery owner's control. Our members report that many trucks provide 12-72 hours of notice before arriving. This bill is simply unworkable on this issue alone. This reality needs to be considered when discussing scheduling mandates.

The cumulative impact of regulations hurts the nursery industry competitiveness

Over the past several legislative sessions, the legislative body has passed employer mandates that are having an impact on the nursery and greenhouse industry. Minimum wage, paid sick leave, employee paid retirement, among others. We certainly understand the policy discussions with each of these examples – but what is less understood by the legislature is the cumulative impact these mandates and regulations have on the industry's ability to compete against other states.

The OAN has been clear about the detrimental impacts mandates impacting labor costs would have on the nursery industry. Oregon's nursery and greenhouse industry competes against states with significantly lower minimum wage rates and regulatory restrictions. Many of these operations are closer to the markets my members serve. Labor, transportation and geography are all significant factors in our industry's ability to compete and bring traded sector dollars back to the State of Oregon.

It is worth noting that in addition to the nation-leading size of Oregon's nursery sector we are also leaders in its technological innovation and production efficiency. Within the nursery world we are practically Silicon Valley in terms of innovation and Napa Valley in terms of quality. Scores of nursery industry professionals and horticulture academics from across the country flock to Oregon to see new ideas in action in addition to seeking out premium quality stock. It's a strong and stable sector provided labor is accessible and that we can compete with states such as Ohio, North Carolina and Florida.

The nursery industry is not much different than much of the agricultural community, which competes on a national and global scale. Adding complexity to our labor needs is a recipe for greater uncertainty to the nursery and greenhouse operation as well as our valued employees. If you move forward with this legislation, please consider removing agricultural from the mandates outlined in HB 2193.

Thank you for your time and consideration