



March 5, 2021

Re: HB 2358

Members of the Committee:

Southern Oregon Winery Association is comprised of advocates for wineries; we are writing in opposition of HB 2358. Vineyards and wineries are one of Oregon's vital agritourism industries, contributing an estimated \$7.2 billion to the economy in Oregon. We would like to share with you our concerns about the real impact of HB 2358 on both farms and employees, which is scheduled for a public hearing in the House Business and Labor Committee on March 8th.

HB 2358 proposes the most aggressive overtime policy in the country, which would be devastating for local farmers and our employees, who are already struggling financially. The unique structure of our governmental system is that we have the ability to enact laws for our own state. There is no reason Oregon should be following what other states are doing, we need to do what is right for our constituents.

Farmers are price takers, which means that they cannot simply increase the sale price of their crops to account for added labor costs. Consumers set our prices and will buy from other states or countries that sell at a cheaper price. The wine industry is an ultra competitive arena and these farmers will have to absorb any added overhead. We have seen rising costs across all channels of business that include tariffs, dry goods cost increase, health insurance rates, minimum wage, etc. This particular commodity is also subject to contract rejections if the fruit profile fails to meet the buyers perceptions, leaving the farmer without a buyer. For some producers, forest fires have caused catastrophic crop damage due to smoke. That's the economic reality we deal with every day.

HB 2358 will have exponential added payroll costs. To stay in business, our industry members will be forced to limit the number of hours worked by employees to 40 hours in a week to avoid the added expense of overtime pay. In turn, those employees will be placed in a financial hardship, needing to take on a second job.

Many of our full time agriculture employees are paid a minimum of \$15 per hour, are provided benefits such as health insurance, retirement and even holiday bonuses. These employees are able to fulfill their dreams of home ownership and new cars.

If this bill passes, we will be forced to limit employees hours, mechanize our operations or sadly, many will shut their doors forever. Bluntly, farm employees are at risk of losing their jobs.

Please oppose HB 2358 this session. This bill would negatively impact not only family farmers and ranchers in Oregon, but also agricultural workers!

Respectfully,

Jennifer Kerrigan  
President, Southern Oregon Winery Association  
(541)621-4443