

My name is Gary Wade and I am farm in Wasco County. I grow sweet cherries and employ 50 employees, many of whom come back to my farm year after year. I want to share with you my concerns about the real impact of HB 2358 on both my farm and my employees, which is scheduled for a public hearing in the House Business and Labor Committee on March 8th.

HB 2358 would require every farm and ranch in Oregon to pay overtime to employees after 40 hours of work. Currently, agriculture is exempt from overtime pay under the federal Fair Labor Standards Act and in most other states because of the unique seasonal nature of agricultural production, affecting both the total period when agricultural activities can be pursued and the days within the season when work can be performed. 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.

As a farmer, I am a price taker, which means that I cannot simply increase the sale price of my 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. I will have to absorb any added overhead. That's the economic reality I deal with every day. I will not be able to afford the added payroll costs proposed in HB 2358, as it will likely cost me 30,000 in new labor costs, and I am a small grower. To stay in business, I will be forced to limit the number of hours worked by my employees to 40 hours in a week to avoid the added expense of overtime pay. I do not want to do this, and my employees do not want me to do this, but that is the practical reality of this bill. My workers frequently work less than 40 hours a week during the cold months, and they need and want the extra hours during the summer and during harvest.

I can't transition to other crops or move my operation out of Oregon, or mechanize to stay in business. My operation is a labor intensive business that benefits more than 50 people during harvest. Passing this law will assure that there are many family farms and their employees that can no longer survive. We just increased minimum wages, which I support, but paying overtime for the few weeks a year we are harvesting fruit and when we increase the number of workers would assure that we can't make a profit. As a family business, we can't operate at a loss year-over-year, so we have to control costs that seem to increase every year in Oregon. I know it's not the goal of this bill to reduce employee take-home pay, but HB 2358 demands wages that are not possible with the economics of agriculture and will result in reduced pay and hours for farm employees.

I am very concerned that this policy hasn't been well-vetted and will actually harm those it intends to help. Please oppose HB 2358 this session. This bills would negatively impact not only family farmers and ranchers in Oregon, but also agricultural workers.