



March 8, 2021 – Opposition to HB 2358

To: House Committee on Business and Labor, Senator Bill Hansell, and Representative Bobby Levy

My name is Nathan Rea and I am a fourth generation farmer in Milton Freewater, Oregon. My family raises a variety of different wheat crops, corn, sunflowers and fresh vegetables for processing. We employ between 13-16 full time employees and around 10 seasonal 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 is 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 over \$200,000 in new labor costs. 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 will also be forced to convert more of my farming practices to automation and robotics to get the farm jobs done without the use of labor. I do not want to do this, and I cannot imagine my employees want me to do this either, but that is the practical reality of this bill. Farm employees are at risk of losing their jobs if downsizing, switching crops, or mechanizing are the only options available to a farm or ranch. If this bill passes, I will need to take some drastic measures to stay in business.

As a family farm business, we cannot operate at a loss year-over-year, so we must control costs that seem to increase every year in Oregon. I know it is not the goal of this bill to reduce employee take-home pay, but HB 2358 demands wages that are not possible with the cyclical economics of agriculture and will result in reduced pay and hours for farm employees.

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

Thank you,

A handwritten signature in blue ink that reads "Nathan H. Rea". The signature is fluid and cursive, with a long horizontal stroke at the end.

Nathan H. Rea