

My name is Lance Peterson and I currently farm in Malheur county. I am a fourth generation Oregonian and farmer. I farm with several of my immediate and extended family members. Together we grow/raise wheat and corn for cattle, dry bulb onions, potatoes for processing, and peppermint for oil. We employ 12-30+ employees depending on which part of the season we are currently involved. The majority of these employees return each year. I would like to express to you some of our concerns about the real impact of HB 2358 on both our farm and our 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 farmers, we are a price taker, which means that we cannot simply increase the sale price of our 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. We will have to absorb any added overhead. That is the economic reality we deal with every day.

If this bill passes, we 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. In order to keep employees from working beyond the 40 hours a week, we would need to hire more employees. It is already extremely hard to find people who want to work. And furthermore, it would be exceptionally difficult and remarkably inconvenient to hire and train a morning crew and afternoon crew and expect the work to be done effectively. Agriculture is not an assembly line of production. Every day brings new and unexpected challenges to the table. Our employees are vital and efficient in meeting these tasks day to day. If we have two separate crews caring for our crops, it will make "getting the water to the end of the row" much more difficult.

Farmers and ranchers will be forced to mechanize operations in order to reduce the number of paid employees, transition to less labor-intensive and less valued crops to stay in business. 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.

As a family business, we cannot operate at a loss year-over-year, so we have to control costs that seem to increase every year in Oregon. We 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 economics of agriculture and will result in reduced pay and hours for farm employees. Oregon recently raised the minimum wage and now we are being asked once again to raise our costs with this bill.

We are genuinely 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 bill would negatively impact not only family farmers and ranchers in Oregon, but also agricultural workers! Please protect our employees by opposing HB 2358.

Lance Peterson

Peterson Farms of Nyssa, Inc.
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