

Chairman Holvey, members of the committee, my name is Bob Schaefer and I manage Noble Mountain Tree Farm. Noble Mountain is the third largest wholesale grower of Christmas trees in Oregon. We employ a full-time staff of 46 people. We employ typically 12 to 14 part-time workers throughout the year as needed, and during our harvest period in November and December we add 140 temporary workers.

I have some serious concerns about HB 2358 and how this legislation could impact my farm, my coworkers, and our industry. Oregon is the largest Christmas tree producing state in the nation, with 93% of our product being shipped out of state or internationally, bringing in a lot of outside dollars. North Carolina and Canada are our biggest competitors, and both of them are starting to compete with us for market share in the western United States and Mexico, our largest market outlets. If we have to start paying overtime, and have to pass our increased costs on to our customers to remain profitable, we stand to lose significant market share to North Carolina growers, who have the number two spot in U.S. production, and like us currently, are not subject to paying overtime.

Our company does have the option of converting our production land base over to hazelnuts, which is 80 to 85% mechanized. This would mean however, that over the next 6 to 7 years we would be laying off the majority, if not all, of our long-term employees. These employees make from \$16.00 to \$22.00 per hour currently, with an increase in their hourly rate during harvest season. They have full health and welfare benefits, holiday and vacation pay, as well as sick leave benefits. This would all be lost to them. Another thing that needs to be recognized is that very few farmers are paying minimum wage anymore in the Willamette valley. Even though many agricultural jobs are fairly easy, trimming blueberries, nursery work, and training wine grapes in the spring for example, and a lot of women are employed, there are critical short periods of time when there are shortages of available help. For this reason, the real minimum wage in agriculture is more like \$14.00 per hour. This is what our company and many other farmers and nurseryman are currently using as a starting wage for even untrained workers to get the help we need.

For harvest alone, it would cost our company an additional \$216,000. Passing on the total amount of our increased costs to our customers if we have to start paying overtime is a non-starter. Unfortunately for our industry, Chinese fake trees are an option for consumers if our prices go up too much.

I have no idea how much of an increase in costs food crop producers will have to pass on, but I am sure milk, vegetables, and fruit will all be a lot more expensive for me, my coworkers, and all other consumers down the road if this bill is passed. This will put us at the mercy of the production of other countries and their lower production costs.

I implore you to seriously consider the negative long-term implications of this bill.