



3-24-2021

Re: HB2358

Chair Holvey and Members of the committee,

My name is Jake Madison, I'm a 4<sup>th</sup> generation Oregon farmer. Our family has been farming in Echo, Oregon for over 110 years. We grow crops such as alfalfa hay for export, blue grass seed, canola for oil, both sweet and grain corn, both fresh and dehydrator onions, beans for seed, and have roughly 1,500 acres of organic peas, sweetcorn, grain corn, wheat, and alfalfa. We employ 51 people on a year-round basis and can flex up to 80 during the peak season. I listened to testimony and testified earlier this month on the impacts of HB2358 and after some additional consideration I feel that I need to spend some more time explaining the impacts that HB2358 will have. I don't feel that some of the supporters testified in favor of HB2358 thought through the impacts of this bill very well. Below are some bullet points on how this bill will impact my workers livelihoods, as well as my business practices.

- We grow and pack onions to sell to some of the restaurants and fast-food establishments that you frequent. Our onion customers have some of the highest food safety and sustainability standards in the industry and are some of the more popular names in the fast-food industry. In the shed where we sort and pack the onions, we have been looking at automating a few steps of the bagging process. This is a nearly \$500,000 investment that would eliminate 6 jobs and have a 4-year payback, before overtime. With overtime, the payback is less than 2.5 years. The vendor that we would buy this equipment from says that he has received 5 calls in the last week from other Oregon onion packing sheds asking for the same equipment. Automation is already on the verge of paying for itself, this bill will push it over the edge and cut 1,000's of jobs across the state.
- We have roughly 1,500 acres of organic acres. Because of the Organic certification requirements, we cannot apply most pesticides that we would normally use for weed control. This leaves us with either robots, or hand crews for weed control. It takes a crew of 30 people 3 days to weed a 125 acre pivot. That is 36 days with 30 people to get across all the organic acres, one time. Many of the fields will receive a second pass of hand labor. If we are required to pay overtime for this service, the organic premium that we are currently receiving would no longer be enough to keep the program viable. Just for reference, I can spray herbicides from an airconditioned, self-driven sprayer on all 1,500 acres in a good 12-hour day and I would get better weed control with a single pass. Organic acres also take several more pieces of equipment and operators to help keep them weed free than conventional farming. Converting my organic program back to conventional would eliminate nearly 35 jobs between seasonal and full-time employees.

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- Ag is a very tight margined business. We are constantly competing with other sates and in some cases, other countries. We as producers do not have the ability to set the prices that we get to sell our products for. We won't be able to pass these costs on to our customers like all of our suppliers have done with the CAT tax (It's a line item on every invoice now). The biggest tool we have to help insure we can farm again next year is cost control. Labor is already my single biggest expense and if HB2358 passes and I do not do anything different than what I'm doing today it will cost our operation over \$550,000 in additional labor annually. This bill was poorly vetted, as evidenced by the testimony that HB2358 "would just cost the farmers a few thousand more dollars". My families company cannot survive an additional \$550,000 increase in cost of production.
- I do not have a single employee that makes minimum wage. We have provided our employees clear career paths to higher wages, and actively participate in skill development that leads to higher wage opportunities. We have several women in management positions of multiple ethnic backgrounds. We have a health insurance program, a dental program, a vision program, paid time off, and a healthy bonus program that is tied to company profitability. Ag jobs are not all what was portrayed in the testimony you have and will hear. Almost all our tractors have the ability to steer themselves, all our tractors have air conditioning, heck some of them even had air-conditioned seats and coolers built into them. Of all the jobs that subject our crew to the elements the most, it is the hand weeding of the organic crops.
- HB will hurt the ag workers as well. A guy that is currently making a \$60,000 base wage and working 3,000 hours a year will be reduced to a \$40,000 while only being allowed to work 40 hours a week. These guys will find second jobs and still work the same hours per year and not get overtime at either job. I would like to reiterate that I do not want to do this, but financially I will not have a choice if I want to continue the family legacy. The team members that I have talked to don't want this bill to pass. They don't want two jobs.
- I believe that the intent of HB2358 is to improve living conditions for ag workers, and I fully support everyone's right to better their lives, but HB2358 will not accomplish what it is intended to. It is a very poorly written and vetted policy with good intentions that will have a terribly negative impact on farmers, ranches, and ag workers. I strongly urge you to vote no on HB2358, it is feel good legislation that will do more harm than good.

I thank you for your time and I strongly urge you to reach out to me if you would like to have a respectful conversation on HB2358 and it's potential impacts.

Regards,

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