

# Editorial: Overtime mandates ignore economic realities

Jan 6, 2022



Workers load Christmas trees onto a truck. The Oregon Legislature is taking up whether farm workers should be paid overtime.

Mateusz Perkowski/Capital Press File

When the Oregon Legislature meets next month, the question of ending the overtime exemption for farmworkers will again be on the agenda.

In a perfect world, it would be difficult to argue that the hours worked in the field shouldn't be treated the same as those worked in the factory. But the imperfect truth is that differences exist and mandating farmworker overtime after 40 hours will inevitably lead to fewer farmworkers.

The Fair Labor Standards Act, passed by Congress in 1938, established a federal minimum wage and provided for overtime pay for work over 40 hours. The act also provided 19 job classifications, including farmworkers, that are exempt from the overtime rule.

Critics now argue that the exemption was the product of racism and pandering to the needs of special interests — big, “corporate” farming concerns. Farmers of all sizes note that farm

work is distinct from factory production. The nature of most farm work makes it difficult to schedule in eight-hour days and 40-hour work weeks.

There's no doubt that the world is a different place than it was in 1938. The state has raised the minimum wage and has mandated a host of protections for farmworkers. To many, an end to the overtime exemption seems like the next step.

But one aspect of agricultural economics has not changed since 1938. Most farmers are still price takers, not price makers. Outside of the few who sell directly to consumers, they cannot simply pass along higher labor costs the way retailers and manufacturers, though limited by the impacts of competition, can.

This is a frustrating reality that farmers struggle to make those outside of agriculture understand.

Many who perform farm labor understand the economics better than the legislators and advocates who are pressing the case for overtime. They know that farmers facing tight margins will cut the workforce or move to less labor-intensive field crops that can be tended and harvested by machine.

They also know that innovators are busy designing machines that can do intricate and delicate work such as picking fruit and pruning trees. Higher labor costs hasten that effort.

We think everyone performing farm work should be paid as much as business conditions allow. But we know that mandating overtime won't change the basic economics.

Someone will eventually profit from an end to the overtime exemption for agriculture, but in the long run it won't be farmworkers. Our bet is on the engineers and machinery manufacturers.