

Submitter: Marissa Hokenson

On Behalf Of:

Committee: House Committee On Business and Labor

Measure: HB4002

I farm in Clackamas County. I grow fresh vegetables that are sold in your local grocery store and employ over 100 employees, 98% of whom come back to my farm year after year. I am concerned about the impact that ag overtime would have on my farm and employees. Our employees are compensated at the H-2A wage of \$17.41, which is \$4.66 more than the state standard wage, and they receive free housing. The \$17.41 wage is a hard wage to maintain because as a farmer, I am a price taker. This means that I cannot increase the sale price of my crops when labor costs increase. Consumers in the global commodity market set our prices. We compete for sales against product coming from Mexico where their labor costs are \$8.00 per DAY per person, again I pay \$17.41 per HOUR. Any added costs will have to be absorbed by my family's farm. That's the economic reality for those of us in agriculture.

Oregon's specialty crops are labor intensive and have peak seasonal needs, including harvesting, pruning, and planting. This bill will likely cost me hundreds of thousands of dollars in new labor costs that I can't afford. To remain in business, I will be forced to limit the number of hours that employees work to 40 hours per week, which means I can't sell as much product to market, which will make it hard to purchase operating expenses like fertilizer, seed, fuel, and maintain the equipment we have. We will be forced to mechanize or transition to less labor-intensive crops to avoid the added expense of overtime pay. I do not want to do this, but that is the practical reality.

Farmers have been clear about the consequences of this policy, but I'm also worried that farm employees will see their paychecks reduced and jobs cut if overtime pay is required after 40-hours. The other unintended consequences for employees will be lower annual wages. Ag is unlike any other industry where we only have 6-7 months to grow and harvest to support 12 months of expenses. We put in extra hours during our season to produce food and fiber for our neighbors, state, and region.

As a family business, we can't operate at a loss year-over-year. Mandating overtime after 40-hours demands wages that are not possible with the economics of agriculture and will result in reduced pay and opportunities for farm employees. Only seven states have adopted ag overtime policies, and most have crafted policies that ensure that local farms can remain viable and that employees' jobs and paychecks are protected. Several states have adopted policies to meet seasonal needs and others established higher overtime thresholds that help avoid some of the worst consequences.

I read the opposition responses, last year, that all sited the same out dated NATIONAL (Federal minimum wage is \$7.25) statistic that is NOT representative of Oregon Agriculture. If that statistic is going to be considered or persuade the people's representatives, then we must request a survey of Oregon Ag employees for a proper representation of wages and earnings among our farmworkers. I guarantee you will find Oregon farmworkers make a healthy wage for seasonal work.

As someone who stands to lose their family business, I urge you to oppose an overtime mandate at 40-hours. Please support your local farmer by voting no on Ag overtime.