

February 8, 2022

To the House Committee On Business and Labor:

Dear Chair Representative Holvey, Vice-Chair Representative Barreto, and Vice-Chair Representative Bynum, and the rest of the Committee Members,

My name is Denver Pugh. I am a sixth generation farmer in the Shedd area of Linn County where I farm with my family. On our farm we produce multiple seed crops to include 4 different species of grass seed, white clover, turnips, radish, and meadowfoam. The seeds from these crops go into the forage, turf, cover crop, and cosmetics markets. I also grow wheat, and hazelnuts for human consumption.

I am urging you to vote down HB 4002 the Mandatory Ag Overtime bill. I feel there has not been enough discussion on what passing a bill of this magnitude would do to the Agricultural Industry in our state. It doesn't take much research to look to our neighbors to the South who already enacted mandatory overtime for Ag workers and see the problems from this. The main work around to paying overtime is to try and minimize the hours worked in a week instead of paying the overtime wage rates. This has pushed Ag workers to seek jobs elsewhere because the desired hours aren't being achieved. Therefore you can read about Ag worker shortages in California.

On my family's farm, we currently employ 8 full-time people and an additional 8-10 more in the summer during our peak harvest and field prep time. My full time employees work an average of 45 hours per week during the slower winter months, an average of 55 hours per week during spring when the weather gets better, and then an average of 78 hours during summer harvest and fall planting seasons. The seasonal workers I hire for the summer months average 72 hour weeks. That's roughly 32 hours of overtime per week per employee. So simple math, using a \$14/hr starting wage because I have to be competitive with the rising minimum wage, at 32 hours a week, overtime would equal \$224 additional dollars per employee per week. If they work, and a lot of them do, a full summer for me, that turns out to be 14 full weeks and then a handful of shorter weeks. Well  $14 \times \$224$  is \$3,136 per employee just in overtime. If you multiply that by the 10 additional summer employees then that's \$31,360 in overtime pay alone. Mind you, that's just for an entry level first time summer employee. Because we have to train these employees to drive specialized equipment, I try to create incentives to come back the following year. These incentives are end of summer bonuses, higher than minimum wage rates, and increased wages for returning workers. So this number in my scenario is on the low side. How am I supposed to stay competitive now with an overtime expenditure? I will be forced to do away with any of my incentives and I will have to cut back hours wherever I can.

Every farm is different. We are different in size, what we grow, how many people we employ and how we treat them. If you noticed in my example above, I only calculated

the overtime for my seasonal needs. That is because, in trying to stay competitive with retaining good full-time employees, I already pay them overtime. I realize this is probably not the normal and most operations can't afford too. But my family chose to do this years ago and we've kept that up. This has been tough to maintain at times with the mandated increase in minimum wage, health care benefits, and the uncertainty of my markets. You may have heard the term "Price Takers" with people in agriculture. We have no means to offset any of these increased expenses in state mandates or the constant increases in our normal inputs to grow a crop. Another term you probably have heard of is "Big Ag" or "Corporate Agriculture" that is commonly frowned upon. Well if state mandates like Ag Overtime pass, you'll be doing away with the family farm operations that make our industry great because they will have no choice but to sell out to "Big Ag" corporations. This is not a threat, it is currently happening. And it is those big outfits who have the funds to turn to automation instead of hiring and maintaining human workers.

May I also add, that when interviewing seasonal employees, I am always up front with them and explain that agriculture is exempt from paying overtime and it's the long summer hours that they work that they will get their pay from. And because of the long hours with good pay, I have not had a single person come to me and try to demand overtime pay. I'm not so sure they won't complain now if I can't promise those long hours anymore.

Please, reconsider HB 4002. This is not the time to do this. We need more discussion on how this will impact the Agricultural Industry in our state before something like this is passed.

Thank you,

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