



2/5/2022

To: State Representative Jessica George

From: Jay Sanders/KG Farms, Inc.

RE: House Bill 4002

Dear State Representatives Jessica George, Paul Holvey, Daniel Bonham, Dacia Grayber

My name is Jay Sanders I am the Sales/Production Manager at KG Farms a medium sized nursery with 70 employees which is based in Woodburn. We urge you to oppose House Bill 4002 for our business and our employees. We are concern the agricultural overtime bill is going have the opposite effect of its intended desired result.

KG Farms presently pays all of our starting employees a couple of dollars greater than the state minimum wage and our long term employees several dollars or greater above minimum wage. All employees have access to health insurance as well a retirement program as part of their benefit package. We also distribute generous bonuses to all employees during the holidays as well as several gifts to each of the employees. Our employees are like family to us and we know that they appreciate how we treat them because over 50% of them have been with KG Farms for over 10 years. The average hours worked for our employees is 50 hours in the slow season and up to 60 during the peak harvest season which is about 60-90 days in length. The proposed bill would likely force us to cap hours and

shrink the volume of business we presently have or hire secondary crews on a split shift to complete the work. Mechanization is an option and we have increased our use of it to make the work easier during harvest, but we may need to increase into areas such as trimming and maintenance where we usually the personal skills of our workers. Either decision will reduce weekly wages for our worker which could force them to look for a second job to make up for the lost wages.

Presently, the agriculture industry and our business are feeling economic pressure from inflation which has caused our supplies to increase 20-30% in the last year. Logistics to get our goods to market has jumped 30%. These large increases are not only eating at our ability to be profitable, but are also pricing Oregon product out of the East coast market which is 80% of our business. A dramatic increase in payroll due on top of the other increases would shrink our business which ultimately hurts Oregon's vibrant agriculture as well. The agricultural community has alternatives which could be put in place which would make a win for all of us. Please vote no on HB 4002 and lets all work towards a successful compromise.