

Submitter: Dana Estensen

On Behalf Of:

Committee: House Committee On Business and Labor

Measure: HB4002

We farm wine grapes in Marion and Yamhill Counties and currently employ 18 full-time, year-round employees, many who have been employed here more than 10 years. We highly value our employees and treat them with dignity and respect. Employees are provided health care, dental care, paid holidays and paid time off and are encouraged to learn new skills and take on new responsibilities to justify pay increases.

Unfortunately, as farmers, we are price takers. Most years we have contracts for the sale of our grapes, in some cases for multiple years. We can't increase the contracted price for our wine grapes when labor costs increase. We will have to try to absorb any added labor costs and are already challenged with most of our other costs increasing. That's the economic reality for those of us in agriculture.

Oregon's specialty crops are labor intensive and have peak seasonal needs. In our vineyards we are as mechanized as we can be, but if the hand labor tasks aren't done in a timely manner, we are unable to use our machinery efficiently or effectively. During our peak times (January – March and May – July) we have approximately 80 Farm Labor Contractor employees helping us out with hand labor. We're not sure how the contractors will handle overtime, especially if crews are working for more than one farm during the week.

This bill will likely increase our labor costs by at least 10% - 15%. Labor is already 65% of our budget and these are new labor costs that we can't afford. We have a large investment in our vineyard infrastructure so transitioning to less labor-intensive crops to avoid the added expense of overtime pay is not an option. We don't want our employees to take home less pay but we also need to keep our vineyard operations performed in a timely manner.

In speaking with similar businesses in other states that started paying Ag Overtime, many employees saw their hours and paychecks reduced since employers just can't afford to pay more. We're worried that farm employees will see their paychecks reduced or jobs cut if overtime pay is required after 40-hours.

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. These policies addressing seasonal needs and higher

overtime thresholds would be much more reasonable for Oregon's farms and ranches.

As one of many farms and ranches in Oregon who stands to be negatively affected, we urge you to oppose an overtime mandate at 40-hours in HB 4002 and work with Oregon agriculture to come up with a better solution.