

Submitter: James Schlechter  
On Behalf Of: Oppose HB 4002  
Committee: House Committee On Business and Labor  
Measure: HB4002

I farm in Marion County on my family's century farm. I grow corn, squash and onions for the fresh market. I also grow broccoli and strawberries for a local cannery, and wheat and grass seed, too. We also operate a fresh vegetable and fruit stand during the harvest season.

During the planting, growing and harvest seasons, I employ 25 to 50 employees, many of whom work for us year round and others who come back to work at my farm year after year. I am concerned about the impact that ag overtime would have on my farm and my employees. I do everything I can to compensate employees fairly, but 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. 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 tens of thousands in new labor costs that is simply more than the income for these crops.

To remain in business, I will be forced to limit the number of hours that employees work to 40 hours per week. I'd like to mechanize harvest and packing, but that costs millions of dollars. I also can't transition to less labor-intensive crops to avoid the added expense of overtime pay, because I don't have the specialized equipment that would require, nor the unbudgeted capital to pay for such a huge expense. Besides, mechanizing/automating much of this work would put many of my employees out of a job entirely. That is the practical reality.

With the worker shortages during the pandemic, hiring farm workers has become very competitive and Oregon farmers - myself included - pay well above both the state and federal minimum wage so we can attract good workers. And during planting and harvest seasons, we normally work six and occasionally seven days a week.

Farmers have been clear about the consequences of this policy, but I'm also worried that farm employees will see their paychecks reduced or jobs cut if overtime pay is required after 40-hours. The planned overtime rule will cause us to require 40 hour weekly shifts, resulting in veteran and highly skilled employees to work LESS hours, so it would hurt them instead of helping them.

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.

As someone who stands to lose their family business if this bill passes, I urge you to oppose an overtime mandate at 40-hours.

Jim Schlechter