

Oregon farmers consider overtime adjustments

By **MATEUSZ PERKOWSKI**
Capital Press

As a dairy farmer with fewer than 25 employees, Derrick Josi hypothetically shouldn't worry about the phase-out of Oregon's agricultural overtime exemption recently approved by lawmakers.

Josi's overtime expenses would be fully paid by refundable tax credits under House Bill 4002, which passed the state Legislature and now awaits Gov. Kate Brown's signature.

Up to \$55 million a year could be spent on such tax credits under the bill, but Josi doesn't expect that to cover the requests from farmers seeking to offset higher overtime payments.

Politically, it's also unlikely the tax credits will be a permanent fixture, said Josi, who farms in Tillamook. "The first time there's a budget crunch, that's the first thing they'll cut."

With that in mind, Josi is thinking of ways to cope with a 40-hour weekly overtime threshold for workers. Those plans don't include paying time-and-a-half overtime wages, which the dairy couldn't afford.

If possible, Josi said he will hire more workers so that overtime hours aren't necessary — until then, he'd expect to work more himself.

Employee schedules will likely be reduced from about 60 hours to 36 hours per week, to leave a four-hour buffer against the threshold, he said.

Workers will likely be given an hourly wage increase to mitigate the income loss, though at the expense of such current perks as meat, fuel and housing stipends, Josi said.

Across the industry, it's also likely workers will switch between farms to compensate for the limits on weekly hours imposed by employers, he said.

"My employees are going to be hurt by it, I'm going to be hurt by it," he said of



Derrick Josi visits with his Jersey dairy cows in Tillamook, Ore. Josi said he's making plans to change workers' hours in anticipation of Oregon lawmakers voting to end the state's agricultural overtime exemption.

Mateusz Perkowski/Capital Press

the overtime bill. "There's definitely negative consequences for the employer and employees."

The bill was discussed during several hours-long committee hearings and floor debates during the 2022 legislative session, but the essence of the argument was simple.

Supporters claimed the agricultural overtime exemption is rooted in racism and denies farm workers their constitutional right to equal protection under the law.

Critics countered that farmers receive prices set by global markets and can't afford to a steep hike in labor expenses, which would force them to mechanize, change crops or go out of business.

A coalition of state farm organizations has requested that Gov. Kate Brown veto HB 4002 but farmers contacted by Capital Press aren't holding their breath for that outcome.

Instead, they're considering how to adjust their operations over the next five years, when the overtime threshold is incremen-

tally lowered to 40 hours per week.

"This is definitely going to affect the hand-harvest of blueberries. There is no way we can afford to hand-pick once the overtime is implemented," said Anne Krahrmer-Steinkamp, a Willamette Valley blueberry grower.

Blueberries can be harvested with mechanical pickers, but the process is tough on fruit, which has traditionally been sold into the frozen market.

However, growers are able to earn higher prices for fresh fruit and the demand for frozen berries isn't unlimited.

"The frozen market's been in the gutter the past 10 years," said Krahrmer-Steinkamp.

Newer picking machines geared for the fresh market handle fruit more delicately, but cost up to \$400,000 apiece. To meet her harvest demand, Krahrmer-Steinkamp will need four or five such pickers — a major capital outlay in an uncertain market.

Fruit buyers will also need to be convinced that the new equipment won't

adversely affect quality at the retail level, which would hurt demand.

"You need to get them onboard with that, she said. "You don't want to put garbage on the market."

Krahrmer-Steinkamp said she expects to have a plan in place by the time HB 4002 is fully implemented. She's reconsidering whether to replace older fields and expand her blueberry acreage, or whether to get out of the industry altogether.

"I can definitely make more money doing something else than I'm doing now," she said.

Labor-intensive crops will probably be abandoned by Oregon farmers, reducing the state's agricultural diversity — while requiring those items to be imported from countries with more lax labor laws, according to a vegetable grower who didn't want to be named.

The overtime policy approved by lawmakers is at odds with the state

government's support of restricting carbon emissions to prevent climate change, the farmer said. "You're going to perpetuate that problem of increasing your food miles."

Mike Townsend, a farmer and fruit processor in Fairview, said the overtime law's impact will be particularly harsh on growers who rely on foreign guest workers.

Under the federal H-2A program, employers must already provide those workers with transportation and housing while paying them substantially above the minimum wage, he said.

"How do you expect a farmer to survive in a world market with these increased costs?" Townsend said.

Oregon's nursery industry competes against other states that still have the overtime exemption and fewer other labor restrictions, said Pete Brentano, a nursery operator near St. Paul.

Automation requires scale, so the brunt of the new overtime law will come

down on those who are unable to mechanize, he said. "Most small nurseries can't afford to do that."

Just since last autumn's wine harvest, Pape Machinery has sold eight Pellenc grape harvesters in Oregon — the same number sold in the entire previous year, said Cody Starnes, territory sales manager for the company.

Demand is likely to rise as the state's agricultural overtime exemption is phased out, he said.

"It's been a hot button. We've been hearing more and more about that," Starnes said. "I think we're going to see more and more interest."

The machines can be more readily adjusted to fit a vineyard's trellis system, which equates to less damage to the grapes, he said. They also incorporate functions to remove stems and blow away leaves.

"With past machines, they were a lot more crude with how they handled the fruit," Starnes said. "They were a lot less gentle."

At a cost of up to \$480,000 per unit, the Pellenc system pays for itself in labor savings within a year in vineyards with 90 acres or more, he said.

Oregon's average vineyard size is less than 30 acres.

To accommodate machine harvest, vineyards will need to make changes such as replacing wooden stakes with metal ones, said Alex Sokol Blosser, a winemaker near Dayton, Ore.

The end of the overtime exemption was viewed as "an inevitability" in the state's wine industry, but labor shortages have already been spurring more automation, he said.

Change is uncomfortable but the industry must be willing to invest in resilience, Sokol Blosser said. "This is the decision you're left with as a winemaker: Do you want to pick your grapes or not?"

Health board backs off regulating farms

By **DON JENKINS**
Capital Press

The Washington State Board of Health will propose holding pet and livestock owners responsible for keeping animal waste from becoming a health hazard or nuisance, but has backed away from regulating commercial livestock operations.

The board was briefed March 9 on a rule that staff members plan to propose this month or next. The rule will authorize local health officials to investigate complaints about animal waste fouling water or someone else's property.

Unlike earlier proposals, the rule won't try to complement laws that apply to dairies, feedlots and other confined livestock operations and that are enforced by the state Department of Agriculture and Department of Ecology.

"It doesn't step on the toes of other state agencies that have been given authority by the Legislature to be more involved with those large operations," board Chairman Keith Grellner said. "I think we're in a really, really good spot."

The new rule will update an old regulation that mostly concerns requiring horse

stables inside cities to be regularly cleaned.

For several years, the board's staff flirted with amplifying the rule to restrict where manure can be stored. A staff report in 2018 on rewriting the rule focused on the environmental impact of dairies.

The detail, scope and tone of previous proposals alarmed dairies, ranchers, feedlots and horse owners.

Board policy adviser Stuart Glasoe said that he doubts the board has the authority to regulate dairies, horse stables, dog kennels and other large operations.

WESTERN PACKAGING

Your Future is Our Future...

WE SPECIALIZE IN BULK BAGS!

<p>BAGS:</p> <ul style="list-style-type: none"> • Seed Bags • Fertilizer Bags • Feed Bags • Potato Bags • Printed Bags • Plain Bags • Bulk Bags • Totes • Woven Polypropylene • Bopp • Polyethylene • Pocket Bags • Roll Stock & More! 	<p>HAY PRESS SUPPORT:</p> <ul style="list-style-type: none"> • Hay Sleeves • Strap • Totes • Printed or Plain • Stretch Film (ALL GAUGES) <p>WAREHOUSE PACKAGING:</p> <ul style="list-style-type: none"> • Stretch Film • Pallet Sheets • Pallet Covers 	<p>LOCATIONS:</p> <p>Albany, Oregon (MAIN OFFICE) Ellensburg, Washington</p> <p>CONTACT INFORMATION:</p> <p>Phone: 855-928-3856 Fax: 541-497-6262 info@westernpackaging.com</p> <p>CUSTOMER SERVICE IS OUR TOP PRIORITY!</p>
--	---	---

www.westernpackaging.com

Looking for Willamette Valley, OR Vegetable Acres!

PNW PROCESSORS

SEARCHING FOR GREEN BEAN AND CORN ACRES IN THE WILLAMETTE VALLEY. HARVEST AND HAULING PROVIDED BY THE COMPANY. OFFERING CONTRACTS NOW!

Green Beans: \$300.30/Net ton
Sweet Corn: \$141.24/Gross ton

25 Acres Minimum

<p>CALL</p> <p>Megan Sturzen: 541-602-3287</p> <p>Andrew Stratton: 206-295-7354</p>	<p>EMAIL</p> <p>msturzen@nffc.com</p> <p>astratton@nffc.com</p>
--	--

S285225-1