

Testimony before the Senate Workforce and General Government

Topic - raising the minimum wage in Oregon

February 2, 2016

Chair Dembrow and committee members:

My name is Anna Scharf and I am here on behalf of Scharf Farms, Inc. in Perrydale, OR.

Scharf Farms has been a family owned and operated business in Oregon for over 100 years. It has managed to survive the Great depressions, recent recessions and ongoing increased government regulations and unfunded mandates. But recently the challenges seem a little harder; the affordable care act, mandatory sick leave and now minimum wage.

We are a medium sized farming operation with an average of 17 employees including family members. We have NO employees earning the current minimum wage but several under the proposed increase levels. In addition, we have skilled / talented employees that have been with us for 35+years that will have a hard time understanding how we are now hiring people that have no experience, limited skills and language barriers at such high rates of pay. Shouldn't they get the same percentage increase?

An increase in minimum wage on our farm WILL mean that some of our employees WILL lose their jobs and it WILL mean that we WILL again have to adjust our way of doing business because of decisions made by the government. We cannot absorb an approx. 24% payroll cost increase.

How will we do this? A robotic palletizer will replace 2-3 seed cleaning personnel, our existing mechanical grape harvester will replace 40+ contract pickers, and we will adjust what we grow by planting crops that need less labor. The majority of agricultural crop revenue is set by global pricing; we CAN'T just raise our prices to generate more revenue.

I have seen the -1 Amendments which are designed to ease businesses into the higher wages; like slowly turning up the heat on a frog in a boiling pot of water. I have heard about a proposal for different wage zones which does nothing but create additional employer tracking and opportunities for employee lawsuits; and I have heard discussion around a training wage incentive for employers; maybe valuable for other market sectors but NOT for Ag.

Yesterday the governor said how proud she was to visit Asia and have the opportunity to promote Oregon products in those regions; how great it was to see Oregon wine, nuts, etc. in Japan and China. I wonder how many Oregon agriculture products will be eliminated from those markets by an increase in minimum wage. Please think about the devastating impacts this will have on the greatest asset Oregon has to offer.

Anna Scharf

Scharf Farms, Inc.

Perrydale, OR