



February 2, 2016

Senate Committee on Workforce and General Government
900 Court Street NE
Salem, OR 97301

Re: SB 1532

Dear Chair Dembrow, and members of the committee:

The Oregon Cattlemen's Association ("OCA") is the voice of the cattle industry in Oregon. We represent over 2,000 ranchers in Oregon and aim to help grow Oregon's beef industry and promote environmentally and socially sound economic practices in producing beef products sold worldwide. Oregon has over 13,000 cattle producers, using 57% of state agricultural lands and comprising 14% of Oregon's total agricultural sector.

Oregon ranches are primarily small business, employing people across the state. For ranchers, decisions on wages is highly dependent on market conditions, costs of inputs to raise livestock and typically is a decision not about how much to pay, but whether to hire additional employees or for landowners and ranchers to carry out the work individually or with less help. This potentially reduces the availability of employment in rural Oregon. The corresponding reduction in workforce increases the burden on ranchers and their families.

We appreciate the recognition in SB 1532 that increases in minimum wage are magnified in rural parts of the state. However, Oregon already requires businesses to pay the second highest minimum wage in the nation.

The proposed wage increases will continue to drive up our cost to do business and reduce our competitiveness for Oregon beef. Our producers compete directly with beef raised in Idaho, Washington, Nevada and California, as well states across the country. Increases to our costs hit our producers' bottom line and reduce our competitiveness domestically. Most importantly, on a regional basis, we will see a direct change in our cost structure and reduced competitiveness in getting Oregon beef to tables in the Northwest and California. In addition, we already compete worldwide with beef produced in Australia, Canada and across the globe. The already strong dollar is challenging Oregon's beef industry, and a steep increase in our labor costs will only further hamper our ability to compete.

Finally, it is critical to recognize that any increase in the cost to produce beef ultimately drives up the cost for Oregonians buying locally grown products. We ask you to carefully consider the effect on consumers, particularly working families across the state. While a minimum wage increase may put more money in some Oregonians pockets, many of those same Oregonians will see the the value of their hard-earned dollars diminished as the cost of services

increase to accommodate the additional labor costs for the production, processing, distribution and sale of Oregon agricultural products, including beef.

We urge the committee to carefully consider any increases to Oregon's minimum wage and recognize the disproportionate burden an increased minimum wage rate could place on rural Oregonians. Help keep Oregon beef competitive locally, regionally, and globally.

Thank you,

Jerome Rosa, Executive Director