



**PUBLIC  
AFFAIRS**

March 9, 2016

The Honorable Lorena Gonzalez  
California State Assembly  
State Capitol, Room 6012  
Sacramento, CA 95814

RE: AB 2757 (Gonzalez) Repeal of 10-Hour Daily Overtime for Agricultural Employees  
POSITION: **OPPOSE**

Dear Assembly Member Gonzalez:

On behalf of our client, I write to inform you that the Western United Dairywomen (WUD) respectfully **oppose** your bill AB 2757, which would remove the current exemption for agricultural employees regarding overtime pay. The bill would create a new mandatory 8-hour overtime provision for "agricultural workers" by repealing the existing 10-hour daily overtime wage order, which will have the unintended consequence of actually hurting agricultural employees rather than helping them.

California leads the nation as the number one milk producer in the country. California's dairy industry is truly unique with 99% of dairy operations being family owned and operated while contributing billions of dollars to the state's overall economic output. As the primary association representing California's dairies, WUD strives to develop concepts for the general welfare and longevity of dairy producers, while maintaining the strong, positive, public image of dairy farmers. Unfortunately, since 1995, 50% of California's dairies have disappeared for a variety of reasons. Contributing factors to these challenges include milk pricing, over-production and regulatory obstacles. The mandatory 8-hour overtime provision in AB 2757 will only add to these challenges and cause severe financial hardship to the dairy industry.

Compared to other industries, dairies are a 24/7 operation which need flexibility in scheduling work hours. Indeed, cows do not punch a clock, and therefore, dairy workers do not fit the norm in other industries. In fact, agricultural workers in the dairy industry have job certainty and are not subject to seasonality. Unlike typical "supply and demand" operations, dairies cannot be idled in response to low prices or labor shortages. It should also be noted that our industry is overly concentrated in disadvantaged communities with high unemployment levels. Placing a new overtime mandate on agricultural employers who currently operate in economically distressed areas would be like adding fuel to the fire and result in lost jobs or reduced hours for their employees.

Finally, AB 2757 ignores the fact that California dairies compete in a worldwide market for milk. Prices are not entirely determined by the market, but are largely dictated by a milk pricing process that involves the federal and state government. That price does not have a direct cost input which means new wage increases cannot be simply recovered in the price of milk. Placing additional labor costs on the dairy industry, as AB 2757 proposes to do, will exacerbate this situation and will only harm and not help the people it's intended to benefit. Keep in mind, California's labor protections for agricultural workers are already the most protective in the nation. However, by subjecting California dairies to unique pay requirements that significantly increase their payroll without other states following suit will result in dairies either relocating to other states and/or shutting their doors.

For these reasons, we must **oppose** AB 2757.

Sincerely,

Brian White