

AB 1066 - OPPOSE



June 22, 2016

The Honorable Tony Mendoza
Chair, Senate Committee on Labor and Industrial Relations
California State Capitol, Room 5061
Sacramento, CA 95814

RE: AB 1066 (Gonzalez) Oppose

California agricultural producers oppose AB 1066 (Gonzalez), which would repeal the longstanding 10-hour daily overtime requirement for agricultural employees. The author's previous bill (AB 2757) was defeated in the Assembly.

These are the facts:

- This bill will reduce the annual take home pay for most agricultural employees.
 - The average annual pay for a milker on a California dairy will be reduced by 33% or \$11,000-\$14,000. These are full time year round jobs.
 - Other agricultural employees working in seasonal commodities could see earnings decline by as much as 28%.
- Farmers in California must compete with farmers in other states and countries that already have far lower wage costs. The buyers of our products – big box and traditional grocery chains, restaurant chains – set the price they will pay our farmers. If California farmers cannot meet the stated price, the buyers can and do purchase from farmers in other states and countries.
- California is already at a competitive disadvantage with other major agriculture production states. We are one of only a few states that require any overtime pay for agricultural workers, and our requirement for daily overtime is already the most expensive. This legislation will only exacerbate that competitive disadvantage.
- We cannot view this bill in isolation. California saddles its farmers with the highest regulatory costs and compliance burdens in the nation. Below is a painfully partial list:
 - Electricity costs for industrial users that are 63.4% higher than the national average.
 - Gasoline costs nearly one-third higher than the national average.
 - Diesel costs 14% higher than the national average.
 - The highest workers' compensation premium rates in the nation.
 - California-only restrictions on use of approved crop protection tools that increase the risk of crop loss due to pests and disease.
 - Water quality requirements that require farmers to prevent nitrogen (i.e., fertilizer) from reaching below the plant root zone.
 - Water supply costs driven by regulatory loss of surface water supplies, forcing farmers to drill new and deeper wells, pay more for energy to pump, and scramble to purchase expensive water (if it can be found and conveyed) from others.

Unfortunately, this legislation will end up hitting many agricultural workers in the wallet. Farmers may be forced to pay higher overtime costs during peak harvest, but for the tens of thousands of workers who are employed year round (thinning trees, preparing ground for planting, etc.) the pressures of cost avoidance will translate to fewer hours worked as farmers add additional employees to avoid overtime costs.

For all of these reasons, we are **OPPOSED to AB 1066.**

Respectfully submitted,

Agricultural Council of California
Alhambra Chamber of Commerce
Almond Hullers & Processors Association
Association of California Egg Farmers
California Agricultural Aircraft Association
California Association of Nurseries & Garden Centers
California Association of Wheat Growers
California Association of Winegrape Growers
California Blueberry Association
California Cattlemen's Association
California Chamber of Commerce
California Citrus Mutual
California Cotton Ginners Association
California Cotton Growers Association
California Dairies, Inc.
California Farm Bureau Federation
California Fresh Fruit Association
California League of Food Processors
California Manufacturers and Technology Association
California Pear Growers Association
California Seed Association
California State Floral Association
California Tomato Growers Association
California Trucking Association
Family Winemakers of California
Far West Equipment Dealers Association
Gilroy Chamber of Commerce
Lodi Chamber of Commerce
Milk Producers Council
National Federation of Independent Business
Nisei Farmers League
Western Agricultural Processors Association
Western Growers Association
Western Plant Health Association
Western United Dairymen
Wine Institute

cc: Camille Wagner, Office of the Governor
Committee Consultants