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July 26, 2019

Honorable Governor Gavin Newsom
State Capitol
Sacramento, CA 95814

Dear Governor Newsom:

Several months ago, representatives of the California Wool Growers Association met with the State Labor Agency by conference call three times to discuss the application of overtime pay requirements to shearers. From the information gathered from those conversations, the Association developed data which showed a sizable increase in monthly compensation which was well beyond employers' ability to pay.

More recently, another conference call with the State Labor Agency produced information which reduced the amount of monthly compensation but not to the point of being financially viable for the industry. In effect, there are different numbers but the same problem.

In summary, effective January 1, 2019, compensation for shearers will increase by about 48 percent (combination of mandated increase by Industrial Welfare Commission Order 14 and the requirements of AB 1066). That in itself is crippling to the industry but there is more to consider. Generally, agricultural employers have flexibility to adjust employee hours to avoid paying overtime but that flexibility is not the case with sheep operators whose employees work a 24/7 schedule. Additionally, sheep operators pay mandatory monthly benefits to shearers in the \$1,000 range whereas other agricultural employers have no such obligation.

Beyond financial consideration there are compelling environmental considerations which could be adversely affected as well. As indicated in the attached, demand for urban grazing in lieu of herbicides and pesticides is increasing rapidly, and the need for forest vegetative management to reduce the threat and harm created by wildfires is needed more by the day.

These negative fiscal and environmental consequences are potentially so extreme that the industry cannot imagine any of this was intended with the passage of AB 1066. The industry comes to you with that mindset and the request that this matter be corrected by means of the attached draft legislation prior to the end of the legislative session.

President

Dan Macon
Auburn, CA

Vice President

Ed Anchordoguy
Sebastopol, CA

Treasurer

Andrée Soares
Los Banos, CA

Executive Director

Erica Sanko
Sacramento, CA

Please contact me at (530) 305-3270 or Association Executive Director, Erica Sanko at (916) 444-8122 or on her cell at (303) 909-6245 so that we can begin to collectively correct this situation before sheep operators are forced to sellout or move out of California.

Sincerely,



Dan Macon, President
California Wool Growers Association

Attachments

cc: Senator Anna Caballero
Senator Melissa Hurtado
Senator Cathleen Galgiani
Assembly Member Adam Gray
Assembly Member Rudy Salas
Assembly Member Joaquin Arambula
Assembly Member Susan Eggman
Karen Ross, Secretary, Cal. Department of Food & Agriculture
Che Salinas, Chief Deputy Legislative Affairs Secretary
for Operations, Office of the Governor
Sonja Logman, Deputy Cabinet Secretary, Office of the Governor
Bill Lyons, Agriculture Liaison, Office of the Governor

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