



October 11, 2016

The Honorable Kurt Schrader  
United States Representative  
2431 Rayburn House Office Building  
Washington, DC 20515

The Department of Labor's (DoL) final overtime rule could have a significant impact on American businesses and workforce. On behalf of the Agricultural Retailers Association (ARA), I write in support of your *Overtime Reform and Enhancement Act* (H.R. 5813).

The ARA is a not-for-profit trade association that represents the nation's agricultural retailers and distributors. ARA members provide goods and services to farmers and ranchers which include: fertilizer, crop protection chemicals, seed, crop scouting, soil testing, custom application of pesticides and fertilizers, and development of comprehensive nutrient management plans. Retail and distribution facilities are scattered throughout all 50 states and range in size from small family-held businesses or farmer cooperatives to large companies with multiple outlets.

The agricultural retail industry is concerned with the Department of Labor (DoL), Wage and Hour Division's final overtime rule. While a responsible increase to the salary threshold is due, increasing the salary threshold from \$23,660 to \$47,476 starting December 1, 2016 will have significant impact agricultural retailers, which are primarily in rural communities. First, the DoL's final rule does not take in to account geographic differences for the salary. A salary of \$47,476 in Monmouth, OR is much different than a salary that same salary in downtown Manhattan, NY. Second, the dramatic increase over such a short period of time will tighten already small margins and lead to increased consolidations in an industry that is currently seeing a number of mergers. The cost associated with this proposed rule will likely be passed along to the consumer. In our



case, our members will pass the costs along to the farmers, which in turn will increase the cost of food. The increased production cost also could negatively impact American agriculture's competitiveness in the global market place. Finally, the automatic increase in the salary threshold every three years is also concerning. There is a very real possibility that the threshold could increase dramatically without any public input.

For these reasons we are appreciative of your advocacy on this issue and supportive of your *Overtime Reform and Enhancement Act* (H.R. 5813). Eliminating the automatic threshold increases and phasing in the increase over several years would be very beneficial to agricultural retailers and its workforce. I understand there are several other attempts to grant relief on this issue, including solutions via the FY '2017 omnibus bill. It is important that we find any bipartisan solution in the lame duck session to prevent this rule from taking affect December 1, 2016.

Thank you for your leadership and hard work on this important issue.

Sincerely,

Kyle Liske  
Public Policy Counsel  
Agricultural Retailers Association