

RESOLUTION # 11

AGRICULTURAL OFFSET TO STATE MINIMUM WAGE

1 **WHEREAS**, New Jersey agriculture is heavily concentrated in the production of
2 fruit and vegetable crops meant for fresh-market sale, as well as nursery, greenhouse
3 and horticultural stock; and

4 **WHEREAS**, dairy farms are also labor-intensive operations and most dairy farms
5 rely on hired labor to help with the day-to-day operations throughout the entire year; and

6 **WHEREAS**, these sectors, as well as others, including equine and agri-tourism,
7 are labor-intensive operations, as the products being produced or experiences being
8 offered rely upon aesthetic appeal to the consumer as much as, or more than, any other
9 attribute; and

10 **WHEREAS**, there is a necessity for hand-picking and/or hand-tending of these
11 agricultural products and experiences; and

12 **WHEREAS**, most New Jersey farms are family-owned operations, in which there
13 are not enough family members to provide all the needed labor; and

14 **WHEREAS**, this creates the need for the hiring of outside labor; and

15 **WHEREAS**, farm labor wages in New Jersey often already exceed the existing
16 minimum wage due to competition for that labor from other industries, such as
17 construction, landscaping and food-service; and

18 **WHEREAS**, a 2013 ballot question passed, raising the state's minimum wage as
19 of January 1, 2014, to \$8.25 per hour, plus annual increases tied to the Consumer Price
20 Index; and

21 **WHEREAS**, this increase in the minimum wage has resulted in a "ratchet effect"
22 of all other higher levels of pay on a given farm in order to maintain incentives to "move
23 up" in that farm's labor structure; and

24 **WHEREAS**, many produce farm operators pay a “piece-rate,” in which workers
25 are paid based on the amount of fruits or vegetables they pick and, during peak harvest,
26 good workers can make significantly more than the minimum wage under this piece-rate
27 system; but by contrast, the farm operator must pay **at least** the minimum wage for
28 those workers who pick less, or during times when there are not enough crops to be
29 picked, to have the piece-rate wage be at least equal to the minimum wage; and

30 **WHEREAS**, the current state minimum wage is more than the federal minimum
31 wage (\$7.25 per hour) paid by businesses in other states that have not adopted
32 minimum wages higher than the federal minimum; and

33 **WHEREAS**, this juxtaposition of higher labor costs in New Jersey with lower
34 production costs for produce coming from surrounding states puts New Jersey
35 agriculture at a competitive disadvantage with surrounding states whose farmers are
36 paying a lower minimum wage, since those out-of-state farmers will be able to undercut
37 New Jersey farmers on prices for their similar products; and

38 **WHEREAS**, this competitive disadvantage created by lower labor expenses in
39 other states serves to undermine the prices for products from New Jersey producers, as
40 well as the viability of direct-marketing and agri-tourism efforts by New Jersey farmers,
41 leading to stagnating growth in the Garden State’s agricultural sectors; and

42 **WHEREAS**, New Jersey farmers who hire outside labor also frequently provide
43 those employees with lodging, meals and the costs of traveling to New Jersey from other
44 parts of the United States or from foreign countries, but do not currently receive, under
45 state laws, any consideration of those labor-connected cost factors in determining
46 whether agricultural operators must pay the state-mandated minimum wage.

47 **NOW, THEREFORE, BE IT RESOLVED**, that we, the delegates to the 102nd
48 State Agricultural Convention, assembled in Atlantic City, New Jersey, on February 8-9,
49 2017, oppose measures to increase New Jersey’s minimum wage.

50 **BE IT FURTHER RESOLVED**, that we oppose any attempt to put a measure on
51 the 2017 ballot calling for a Constitutional amendment on raising the state minimum
52 wage.

53 **BE IT FURTHER RESOLVED**, that, if measures do progress that raise the state
54 minimum wage, they include either a separate agricultural minimum wage, a separate
55 and lower minimum wage for workers under the age of 18, and/or, if higher rates prevail,
56 tax credits be created that recognize the unique contributions to employee compensation
57 made by agricultural operators, including but not limited to the provision of housing,
58 meals and the cost of transportation to bring labor to the farm.

59 **BE IT FURTHER RESOLVED**, that we urge the Legislature to introduce and
60 approve, and the Governor to sign, legislation that would establish, through a tax credit
61 for agricultural operators, an effective freezing of the training wage for the first year of
62 employment for agricultural workers who have not worked on that particular farm before
63 and who must be trained in the methods of that farm, at the current minimum wage.