

RESOLUTION # 16

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 floriculture 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**, this need for excellent physical appearance requires the hand-
11 picking and/or hand-tending of these 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, much of which
15 requires some knowledge and experience in working on a farm; and

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

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

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

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

31 **WHEREAS**, the \$8.25 minimum wage is \$1.00 more than the federal minimum
32 wage (\$7.25 per hour) paid by businesses in other states that have not adopted
33 minimum wages higher than the federal minimum; and

34 **WHEREAS**, there are two proposals in the Legislature to increase the minimum
35 wage rate to \$15 per hour, one of which is legislation to immediately increase the rate to
36 \$15 per hour, and the other of which is a proposed Constitutional referendum to increase
37 the minimum wage rate to \$9 per hour in Year 1, then by \$1 per year over the next six
38 years until it reaches \$15 per hour; and

39 **WHEREAS**, only two years ago, voters approved an increase in the state
40 minimum wage rate that carried with it an immediate \$1 per hour increase and which
41 allows for annual upward adjustments, to reflect inflation, a measure intended to
42 eliminate the need for any future minimum wage rate increases; and

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

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

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

58 **NOW, THEREFORE, BE IT RESOLVED**, that we, the delegates to the 101st
59 State Agricultural Convention, assembled in Atlantic City, New Jersey, on February 10-
60 11, 2016, urge the Legislature to introduce and approve, and the Governor to sign,
61 legislation that would establish either a separate agricultural minimum wage or, in the
62 alternative, tax credits that recognize the unique contributions to employee
63 compensation made by agricultural operators, including but not limited to the provision of
64 housing, meals and the cost of transportation to bring labor to the farm.

65 **BE IT FURTHER RESOLVED**, that we urge the Legislature to introduce and
66 approve, and the Governor to sign, legislation that would establish, through a tax credit
67 for agricultural operators, an effective freezing of the training wage for agricultural
68 workers who have not worked on that particular farm before and who must be trained in
69 the methods of that farm, at the current minimum wage, without the annual increases
70 afforded to other wages through the increase in the Consumer Price Index.

71 **BE IT FURTHER RESOLVED**, that the State Board of Agriculture and the
72 Secretary of Agriculture should work in conjunction with the Commissioner of Labor and
73 Workforce Development to develop support within the Administration for a separate

74 agricultural minimum wage or, in the alternative, an “agricultural training wage” to be
75 paid to employees who have not worked on that particular farm before and who must be
76 trained in the methods of that farm.

77 **BE IT FURTHER RESOLVED**, that the State Board of Agriculture opposes in the
78 strongest terms possible, due to its profound negative impact on the viability of farms in
79 New Jersey, any further increase in the state minimum wage rate, whether by legislation
80 or yet another Constitutional referendum.

81 **BE IT FURTHER RESOLVED**, if the Legislature proceeds with yet another
82 minimum wage rate increase, it should include an exemption for all agricultural
83 employers.