

## RESOLUTION # 8

### AGRICULTURE AND THE STATE MINIMUM WAGE

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

4           **WHEREAS**, dairy farms are also labor-intensive operations and most dairy farms rely  
5           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, are  
7           labor-intensive operations, as the products being produced or experiences being offered rely  
8           upon aesthetic appeal to the consumer as much as, or more than, any other attribute; and

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

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

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

14          **WHEREAS**, many produce farm operators pay a “piece-rate,” in which workers are  
15          paid based on the amount of fruits or vegetables they pick and, during peak harvest, good  
16          workers can make significantly more than the minimum wage under this piece-rate system;  
17          and

18          **WHEREAS**, by contrast, the farm operator must pay **at least** the state minimum  
19          wage for those workers who pick less, or during times when there are not enough crops to  
20          be picked, and their wages, regardless of how much they pick, must be equal to at least the  
21          minimum per-hour wage; and

22          **WHEREAS**, a study published in June 2017 showed that a \$13-an-hour minimum  
23          wage mandated in the city of Seattle actually resulted in negative impacts to lower-wage  
24          workers, including total hours worked by lower-wage workers being reduced by 3.5 million

25 per quarter, with those workers losing an average of \$125 per month in lost wages through  
26 reduced hours; and

27 **WHEREAS**, the current state minimum wage is more than the federal minimum wage  
28 \$8.60vs. \$7.25 per hour paid by businesses in other states that have not adopted minimum  
29 wages higher than the federal minimum; and

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

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

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

44 **NOW, THEREFORE, BE IT RESOLVED**, that we, the delegates to the 103<sup>rd</sup> State  
45 Agricultural Convention, assembled in Atlantic City, New Jersey, on February 7-8, 2018,  
46 oppose efforts to have any newly created state minimum wage apply to agriculture the same  
47 way it applies to industries that create non-perishable products, where the pressure to move  
48 those products to market or risk losing the opportunity to sell them altogether is not the same  
49 as it is in agriculture.

50 **BE IT FURTHER RESOLVED**, that, if measures do progress that raise the state  
51 minimum wage, they include either a separate and lower agricultural minimum wage, a

52 separate and lower minimum wage for workers under the age of 18, and/or, if higher rates  
53 prevail, tax credits be created that recognize the contributions to employee compensation  
54 made by agricultural operators, including but not limited to the provision of housing, meals  
55 and the cost of transportation to bring labor to the farm, in order to keep New Jersey  
56 agriculture from being at a competitive disadvantage to surrounding states, which also ship  
57 produce into New Jersey, and advertise it as "local."

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