

RESOLUTION # 25

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,
8 rely upon aesthetic appeal to the consumer as much as, or sometimes 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 are
13 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**, many produce farm operators pay a “piece-rate,” in which workers are
16 paid based on the amount of fruits or vegetables they pick and, during peak harvest, good
17 workers can make significantly more than the minimum wage under this piece-rate system;
18 and

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

23 **WHEREAS**, the New Jersey State Board of Agriculture, working with representatives
24 of agricultural-interest groups in New Jersey, has created a list of steps that it believes are
25 essential to bolster the industry’s economic viability in response to the passage and signing

26 of the new minimum wage in the state, and these measures have been drafted into proposed
27 legislation; and

28 **WHEREAS**, that list includes:

- 29 ✓ **Tax Credits for Farmworker Housing and Transportation** – Many farmers
30 currently provide both for some workers. Credits would help offset the cost of those
31 provisions that benefit farmworkers beyond their base wages.
- 32 ✓ **Accelerated Depreciation Allowances** – Adopt current federal tax allowances (e.g.
33 Section 179) for New Jersey Business tax returns to allow for more rapid
34 depreciation of capital expenses, especially for equipment that will improve
35 efficiency.
- 36 ✓ **Expanded Property Tax Exemption for Single-Purpose Ag Structures** – Would
37 extend the types of buildings under the current definition of Exempt Structures,
38 lowering the farm’s tax burden.
- 39 ✓ **Definition of Agricultural Labor** – Updating the definition of “farmworker” to better
40 match the range of workers (e.g. on-farm processing, farm-market clerks, etc.)
41 involved in today’s evolving farm operations.
- 42 ✓ **Farmworker Job Retention Incentives** – Annual incentives to New Jersey farmers
43 based on the difference between the 2013 constitutionally mandated minimum wage
44 levels and the newly scheduled increases for workers.
- 45 ✓ **Labor Tax Credits** – Would help offset increased unemployment insurance
46 payments, state disability insurance payments, and workers compensation insurance
47 costs, resulting from minimum wage increases, as these payments and costs are
48 wage-based and automatically increase as the minimum wage ratchets upward.

49 **NOW, THEREFORE, BE IT RESOLVED**, that we, the delegates to the 107th State
50 Agricultural Convention, assembled in Atlantic City, N.J., on February 9-10, 2022, support
51 the efforts of the New Jersey State Board of Agriculture to pursue – through regulation,
52 legislation, or other means – the measures enumerated above to bolster economic viability in

53 the state's agricultural industry and to enhance New Jersey agriculture's competitive position
54 with farms in other states that have not passed laws to increase their state's minimum
55 wages.

56 **BE IT FURTHER RESOLVED**, that we strongly urge the Legislature to pass, and the
57 Governor to sign, all pending bills that would effectuate these measures.