RESOLUTION # 16
AGRICULTURAL OFFSET TO STATE MINIMUM WAGE

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

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

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

WHEREAS, this need for excellent physical appearance requires the hand-picking and/or hand-tending of these agricultural products and experiences; and

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

WHEREAS, this creates the need for the hiring of outside labor, much of which requires some knowledge and experience in working on a farm; and

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

WHEREAS, a 2013 ballot question passed, raising the state’s minimum wage as of January 1, 2014, to $8.25 per hour, plus annual increases tied to the Consumer Price Index.
WHEREAS, this increase in the minimum wage has resulted in a “ratchet effect” of all other higher levels of pay on a given farm in order to maintain incentives to “move up” in that farm’s labor structure; and

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

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

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

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

WHEREAS, this juxtaposition of higher labor costs in New Jersey with lower production costs for produce coming from surrounding states puts New Jersey agriculture at a competitive disadvantage with surrounding states whose farmers are paying a lower minimum wage, since those out-of-state farmers will be able to undercut New Jersey farmers on prices for their similar products; and
WHEREAS, this competitive disadvantage created by lower labor expenses in other states serves to undermine the prices for products from New Jersey specialty crop producers, as well as the viability of direct-marketing and agri-tourism efforts by New Jersey farmers, leading to stagnating growth in the Garden State’s agricultural sectors; and

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

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

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

BE IT FURTHER RESOLVED, that the State Board of Agriculture and the Secretary of Agriculture should work in conjunction with the Commissioner of Labor and Workforce Development to develop support within the Administration for a separate
agricultural minimum wage or, in the alternative, an "agricultural training wage" to be
paid to employees who have not worked on that particular farm before and who must be
trained in the methods of that farm.

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

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