



To Serve And Strengthen Agriculture



Oppose A Minimum Wage Increase

Businesses throughout New York are facing a familiar battle—yet another proposed increase in the state minimum wage. Currently, the New York State Minimum Wage is \$8.75 and is set to increase at the end of 2015 to \$9.00 per hour.

New York has already created a separate state minimum wage rate, ending the automatic link to the federal rate. This new proposal in the Governor's 2015-16 Budget would increase the state minimum to \$10.50/hour and would take effect December 2016. Furthermore, it would also create a separate wage rate for New York City of \$11.50/hour. As of January 1, 2015, no state has a minimum wage of \$10.50/hour and only seven other states have a minimum wage of \$9.00 per hour or more.

Hurts Youth and The Inexperienced

The majority of the people making the minimum wage on farms and other small businesses are youth and part-time employees who will be largely impacted by this proposal. Increasing the minimum wage to such a high level disincentives employers from hiring inexperienced and younger employees, preventing them from getting their foot in the door and receiving training and experience. In addition, raising the minimum wage to such a high level puts current workers (at that pay level, who have gained this wage amount through experience on the farm) at an extreme disadvantage as their wages become compressed in comparison to their newly hired counterparts.

An Uncomfortable Market

New York Farm Bureau has continually supported keeping our state minimum wage linked with that of the Federal minimum wage, as we are competing in a global marketplace and raising the wage separate from the federal level has led to a competitive disadvantage with other agricultural states when selling products throughout the country.

Now is not the right time to continue to raise the minimum wage, especially to such disproportionately high levels. With New York's history of ranking near the bottom in virtually every economic analysis comparing the business climate between states, adopting a higher minimum wage simply isn't a wise strategy for supporting our agricultural businesses in New York.

For every \$100 of production sold, New York farmers paid \$14.24 to farm workers compared to a U.S. average of \$8.50. Thus, New York agriculture is more sensitive to changes in labor costs than most major agricultural states. Of the top 12 agricultural states, only California has a higher percentage of sales spent on labor—making an additional wage increase unsustainable in an environment where profit margins are extremely slim.

NY farm businesses cannot sustain a further increase in the minimum wage.