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To: The Editor

From: Ryck Suydam, President 

Re: state minimum wage increase

New Jersey Farm Bureau notes the interest to increase the state minimum wage rate and the claims by some that such an increase would have an entirely positive effect on the state's economy. These claims underestimate the fact that the proposed increase would impose significant new costs on small businesses throughout the state, including farms.

We don't oppose higher wages. Who does, for that matter? Nevertheless, when the state issues a mandate to increase wages without full consideration for current economic conditions and employer impacts, what results is essentially a new tax on small business employers.

Of particular interest is the claim that the proposed increase would result in \$250 million of additional economic activity in New Jersey. This figure fails to account for the negative impact such a wage increase would have on employers. Where does the money come from to pay the added wages and payroll costs from the mandate?

In the case of farm employers, the impacts could be especially negative. Our businesses are labor-intensive. Farmers compete in an interstate marketplace mostly and this wage increase would put our growers at a competitive disadvantage in many instances. Additionally, many farmers also provide housing, transportation and meals to their workers as non-wage benefits. Profit margins are generally slim for employers in agricultural businesses, and this state minimum wage increase would jeopardize an already difficult business environment.

Farm Bureau understands the well-intentioned push for an increased state minimum wage rate. But we oppose raising the minimum wage to address a social-economic need without sharing the cost with the general public. The economic recovery remains fragile and the increase currently being considered is being pursued without either employer incentives or adequate consideration of the impact on the state's small businesses. We also oppose the use of amending the state constitution for the purpose of changing the minimum wage or any other similar legislative issue.