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## **NEWS FROM NEW YORK FARM BUREAU**

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### **NEW YORK FARM BUREAU STATEMENT ON FARM CREDIT EAST'S \$15 MINIMUM WAGE IMPACT REPORT**

Farm Credit East's new report analyzing the impact of a \$15 minimum wage on agriculture is both telling and deeply concerning. It found that, "The additional labor costs resulting from this proposal could clearly impact many farms' financial viability and affect future decisions to expand or modernize facilities."

The respected financial institution says it used conservative and historical projections to reach its conclusions, estimating a \$15 minimum wage in New York State would cost farmers between \$387 and \$622 million in 2021 at the peak of the wage rollout. This figure resembles similar economic analysis from American Farm Bureau Federation that estimated a \$500 million impact on New York agriculture's labor costs or 25% of farm net income.

What is also worthy of note in the Farm Credit East report is the number of farms that will fall out of profitability. The report, using USDA Agriculture Census data, stated about 10,000 farms in New York have hired employees. Of that number, 1,365 to 1,995 (13 to 19 percent) would be in a profit loss situation if there is no significant change in the farm economy.

The greatest impact would be on dairy, fruit, vegetable, greenhouse and nursery sectors of the state's agricultural industry. The report says, "Over time, the impact of a significantly higher minimum wage in New York and not in competing states will shift agriculture in two ways. Labor intensive agriculture operations will consider agricultural enterprises that are less labor intensive (such as fruit production shifting to grain production)." The other would be "more full-time farms will transition to part-time farms to avoid hiring labor. Overall, this will reduce the size of New York's agricultural industry." The conclusion is that this would also effect the state's food processing and marketing businesses.

New York Farm Bureau's opposition to the increase in the minimum wage has always been based on factual numbers from both experts and member farmers who know their balance sheets better than anyone. We have long held that farmers routinely pay their workers above minimum wage, on average of \$12.40/hour as noted in the Farm Credit East report. But a \$15 minimum wage will lift all wages as well as payroll taxes, and create an uncompetitive situation for the state's farmers in the marketplace.

New York's lawmakers need to pay heed to the warnings outlined in this report and reject a nearly 70% increase in labor costs for the state's family farmers and small businesses that are the least able to afford it.

The report can be found on Farm Credit East's website:

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*New York Farm Bureau is the State's largest agricultural lobbying/trade organization. Its members and the public know the organization as "The Voice of New York Agriculture." New York Farm Bureau is dedicated to solving the economic and public policy issues challenging the agricultural community. [www.nyfb.org](http://www.nyfb.org)*