

Submitted Testimony

**Testimony of Elizabeth Henderson**

**Policy Committee Co-Chair, Northeast Organic Farming Association of New York**

**Before the Joint Legislative Committee on the Executive Budget**

**Public Hearing on the 2016-2017 Executive Budget Proposal**

**Topic "Workforce Development"**

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Thank you Senator Young and members of the Joint Legislative Committee on the Executive Budget for the opportunity to submit this written testimony on Governor Cuomo's minimum wage proposal. My name is Elizabeth Henderson, and I am Co-Chair of the Policy Committee of the Northeast Organic Farming Association of New York (NOFA-NY). NOFA-NY is an organization of New York farmers, gardeners, and consumers working together to create a sustainable regional food system that's ecologically sound and economically viable. On behalf of my organization, I would like to express NOFA-NY's strong support for Governor Cuomo's proposal to gradually increase the state's minimum wage to \$15 by 2018 in New York City, and by 2021 statewide.

As of December 30, 2015, the New York State minimum wage is \$9 an hour. For employees of fast food chain restaurants, the minimum wage rose to \$10.50 in New York City and \$9.75 in the rest of the state. The base hourly rate for restaurant servers and other tipped workers increased to \$7.50. If the minimum wage had kept up with inflation, the \$1.60 rate in 1968 would be \$10.96 today.

Like the minimum wage, the prices paid to farmers for their products have not kept up with inflation, and as a result, the number of farms and the acres in farmland in New York State continue a long decline. In 2002, there were 37,255 farms; in 2012 the number had dropped to 35,537. With the price of milk \$8 lower than a year ago, more New York dairies will go out of business. In January, the price paid to the farmer for winter squash was about 19 cents a pound and the retail price was \$1.29/lb. That is illustrative of the type of unfair price structure that keeps farms from financial viability. It is time to shift more of the dollars paid for food back to farmers and farm workers.

Given our policy makers' commitment to cheap food, achieving fair wages for all the people who work to bring food to our tables is inherently challenging. But with the right policies in place, we can make progress.

When NOFA-NY surveys our farmer members, many make statements like this: "I certainly believe that farmworkers should receive a fair wage and conduct my business in that way." Fairness is an important value for New York's organic farmers, yet the wages farmers are able to pay their workers can be as a low of \$9 (and as high as \$20) an hour. Most of the farmers are not earning much more than the top of this range, and farmers in the first ten years of their farming careers often pay their workers more per hour than they earn themselves.

There is plenty of money in the U.S. food system, which can be more fairly distributed with the right policies in place. According to their own public financial postings, for the first half of fiscal 2015 net sales for General Mills totaled \$5.3 billion. Its competitors, Campbell Soup, ConAgra Foods, and Mead Johnson Nutrition Company reported revenues of \$2.2 billion, \$2.7 billion, and \$978 million, respectively, for their last reported quarter. The return on equity for Kroger was 35.1%, for General Mills – 28%, for Kellogg – 12.9% and for Whole Foods – 13.67%.

Farmers rarely see a return on equity before they sell their land for money to retire on.

NOFA-NY believes that this has to change.

Raising minimum wage to \$15 an hour is a sensible policy, and it will not increase overnight. Gov. Cuomo's proposal would phase-in the new wage over a number of years, much like other jurisdictions are doing, such as in Los Angeles where the increases begin with a wage of \$10.50 in July 2016, followed by annual increases to \$12, \$13.25, \$14.25 and then \$15. Small businesses and nonprofits are allowed an extra year to comply.

NOFA-NY members hope to create sustainable farms that provide sustainable livelihoods for a whole range of different kinds of people who are involved with them. In the current situation of climate extremes, farms need to be resilient and that requires workers who are alert and participating in solving the continual new challenges that farms face. NOFA-NY believes farm work should be recognized as a respected, adequately remunerated profession. But for this to be possible, the prices farmers receive must go up. The prices paid to farmers for farm products must be a fair share of the final consumer price, covering the farm's full costs of production, including living wages for farmers and all farm workers.

It is time to reallocate the food dollar to give a fair share to farmers and to raise the minimum wage for food workers. NOFA-NY calls upon all – lawmakers and the public, alike – who want locally grown food to join us in the challenging effort to make our food local, and also organic and fair.

Sincerely,

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