



MINIMUM WAGE – HB 395

Removing the farm worker and farm employee exemption to the state minimum wage would

- Farming labor needs are often seasonal, with limited time to harvest the crop. If the window to harvest the crop is missed, the farmer has paid wages and expenses with no gained revenue. The median income for farm workers of all types in Virginia is \$15.63 and the mean hourly wage is \$17.42. Allowing farmers flexibility to pay based on work done or at seasonal levels gives them the flexibility to keep the farming operation in business.
- A vast majority of our members operate businesses in rural Virginia. A one size fits all minimum wage policy would hurt our members ability to stay in business by forcing them to pay wages far and above what the market can bear in their area. The resulting wage compression all along the agriculture and forestry supply chain would negatively affect the entire industry.
- Producers that participate in the H-2A program must pay the higher of the federal minimum wage, state minimum wage or the Adverse Effect Wage Rate (AEWR) as determined by the federal government. This rate is partly determined by a survey of the wages of farm work plus a multiplier. The current AEWR for Virginia is \$12.67, \$5.42 higher than the minimum wage. By raising the minimum wage, the AEWR would likely be raised even higher, making the seasonal federal program unusable and making it even harder for producers to find the labor they need.

Our Position

The Virginia Agribusiness Council opposes any wage policy that would negatively affect our member's businesses. HB 395 currently removes the exemptions for farm laborers and raises the minimum wage well beyond a sustainable level for our member companies. We are concerned that raising the minimum wage to \$15 an hour this quickly will harm our ability to compete in the marketplace and jeopardize the sensitive timeline our members have to conduct business.

"We Represent Virginia Agribusiness with a Unified Voice"
For more information, please contact us at vac@va-agribusiness.org