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## Connecticut Vineyard and Winery Association

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### George Motel- President of CT Vineyard & Winery Association

#### Testimony Before the Labor Committee

March 4, 2015

### In Opposition of 984 AAC Unionization of Agricultural Workers, Non Partisan Legislative Management Employees & State Education Resource Center Employees

Good Afternoon Senator Gomes and Representative Tercyak, my name is George Motel and my wife and I own Sunset Meadow Vineyards in Goshen, CT. I serve as president of the Connecticut Vineyard and Winery Association. The Connecticut Vineyard and Winery Association consists of 25 farm wineries, spread across the state that market ourselves collectively as the Connecticut Wine Trail. The purpose of our association is to promote the cultivation of grapes and the production of wine in Connecticut.

I am here to request that you review HB 984, an act concerning the unionization of agricultural workers. Based on the variables that affect the farming industry and its employers, allowing unions and employers to collectively bargain would further hinder a market that is already slowed down by uncertainty in weather and crop quality. When unions and employers collectively bargain, an aspect of inflexibility is applied to what is generally assumed to be a flexible (schedule-wise/crop-wise) industry. Moreover, while there are benefits to collectively bargaining, they are not so much felt in this specific industry, and the costs brought along with it would be much higher.

A commonly used tactic of unions in a collective bargaining agreement is the ability to go on strike in return for higher wages or improved working conditions. With such an uncertain (seasonal) schedule, as harvesting depends heavily on the weather, when there are open blocks to harvest, they need to be utilized. If employers are given the option to go on strike, these open blocks can go to waste and an industry dependent on maximizing labor and capital, see losses in potential revenue.

Aside from the loss in revenue caused by strikes, there are unnecessary economic costs imposed on the farms. With a relatively inelastic demand for labor, employees can hold out and try to drive up wages while employers try and compromise. There aren't too many aspects of a farm that can be operated without human assistance, so human capital is

necessary. As wages are driven up, revenue is taken away from an already small-profit industry, and if the imposed costs are high enough, some farms may be forced to shut down.

Even when there is no strike in place and employees and employers are abiding by the contracts, the inflexibility of their agreements may reduce efficiency of the farms. Unproductive workers may never leave; some workers may have no incentive to get up to speed on new technology, and it may be difficult to tie wages to productivity. With the industry being sort of a "you get out what you put in" type of workplace, paying for non-productivity can be extremely costly. And as competitive as this industry is, not keeping up with technology can hold farms back.

Another point regarding the allowance of unions and employers to collectively bargain is the affect on the competitive nature of the market. Farms themselves don't hold to much economic power, so their ability to manipulate price and influence contracts is relatively low, much of this is determined by consumer demand and the market itself. By allowing collective bargaining, economic power will be increased and thus so will the farms ability to alter the "rules of the game". Competition drives this market, and farms strive each day to make their product as quality as possible all while trying to keep prices at a reasonable level. Free market competition allows for products to be quality assured and for consumers to have options. Allowing collective bargaining severely undermines this notion and can hurt some farms that have used the free-market to build their business. As aforementioned, there are benefits to these collective agreements but in this type of industry it doesn't work.

The reason these type of agreements wouldn't work in this type of industry is because many of the small wine farms in Connecticut are family run businesses, not your typical unionized business. Being small and family owned, there is a limited need for large number of workers. And these administrative costs could potentially be devastating to these farms due to them being smaller sized. Size aside, these are not run like typical businesses. They are family owned, employees are on premise and are accessible to their customers, often working side by side with them along with some agricultural workers. There is a sense of pride that goes along with having a family owned business. It is not so much about making tons of money and revenue but making a living, maintaining a good reputation with your clients and supporting your local community. Allowing unions and employers to collectively bargain takes away from all this and undermines the point of the CT Wine Industry.

**We urge you to vote no.**