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To: CT State Legislature Labor Committee

Opposition to: Raised Bill No. 5370 AN ACT INCREASING THE MINIMUM FAIR WAGE.

Dear Honorable Senators and Representatives:

I am a 5th generation farm owner with 30 years of hands on farm management. Our family operates a 313 acre fruit and vegetable farm, year round Farm Market, Farm Winery, and Pick-Your-Own operation in Guilford and Northford. Our family employs over 250 people in the course of a year, with about 95 people at our slowest season to almost 200 during our harvest season on the farm. All told, our employees are a critical part of our farm and market, and they logged almost 200,000 hours in 2015.

I would like to voice my opposition to raising the minimum wage further at this time, as well for the inflationary amount of the change. If passed and implemented as proposed our minimum wage rate will have increased by over 80% from \$8.25 in 2010 to \$15.00 in 2020.

Labor costs in the food industry are our single biggest expense. Farmers are price takers, not price makers for our products. We are subject to wild fluctuations in the weather that impacts our yields up and down. In the past several years we have had to increase our staff from starting wages that were well above the minimum wage, to now at that wage because to the steep increases. And out of respect and the investment in our existing workers, we bumped those employees (within a \$4 range of the minimum wage) higher to reflect their worth above the new starting wage rate by keeping a strong differential. We compete with out of state farms, who can produce, sell and deliver cheaper to CT markets and make more profits because they operate in more business friendly states and communities.

The increase is hitting us in the bottom line, decreasing our taxable income significantly (*remember that corporate earnings decreases in the past year is adding to the ballooning state deficit*) and taking away from our 401k and Profit Sharing contributions (*work for us 1 year and you are in the 401k*). Each of the last 2 years minimum wage increases, when compounded by FICA, Worker's Comp, CT and Federal Unemployment taxes cost our family business over \$55,000 per year, and this year is expected to be ~ \$60,000. Our projection is to cut over 5,000 hours, or 6 to 7 part time workers due to this cost.

Our family is a respected employer with robust benefits for our industry, as well as an employer of choice for many new, young workers, some seniors and others who love the flexibility, family friendly teamwork, rewarding work and very fair pay. Very few of our workers stay at the minimum wage beyond 90 days. Many stay with us and get promotions and raises.

BUT, the bar is set, which pushes up our cost to be fair to our workers who now fall in the minimum to \$15 per hour range (and higher as we go to 2020), and that's what creates the bigger costs. In addition, we have specialized workers hired under the Federal H2A program, and their wages are set off the prevailing wage/adverse affect rate, which is influenced by the minimum wage.

We are not an employer hiring staff that is full time, year round at low wages, trying to support a family. Our lower wages are for entry level, younger workers, most taking on their first job, working weekends and after school. They get a phenomenal experience and training about working with and for others, responsibilities and learning life long skills that help land them their next job, college skills and ideas on volunteering to give back to help others through our managers mentoring.

Let us compete in the open market for employees for entry level jobs, by offering wages (that are above the now established minimum wage) set by each business, based upon real competitive situations, not government artificial rates.

Unfortunately, as the wages go up, so does our investment in technology and equipment to replace workers' hours. \$250,000 is going into a new apple packing line this summer that will make us more efficient and reduce labor needs.

We will be forced to adapt and comply as taxes increase (*the CT unemployment surcharge alone cost us \$22,000 in Dec. 2015*) along with wage rates. But small businesses that traditionally create the most jobs, will not be adding to the roles like we used to, and the exodus out of CT (*we truly will miss our GE customers for weekend destination farm visits*) will continue.

While it is popular to support an increase in the minimum wage, it will not cure problems of unemployment and underemployment, our state economy will continue to suffer, businesses will make less profits and CT deficit will not go away.

Respectfully,



Keith B. Bishop

Co-Owner