



February 10, 2021

To Members of the Coachella City Council:

The proposed city ordinance mandating that farmers and other agricultural employers provide an additional four dollars per hour to their employees would harm many long-standing family farms, field workers and other employees whose livelihoods are invested in those farms, and the post-pandemic economic recovery of the region.

Labor is by far the highest cost for California family farms. California's minimum wage at \$14 per hour is highest of any state in the U.S. Adding on top of that regulatory compliance costs and agricultural overtime laws, California farmers already face the highest wage structure in the nation. Consequently, producers in other states and countries routinely undercut our growers on price, a condition that has only become more acute with the additional costs our farmers have absorbed to protect their employees during the pandemic.

Farmers are price takers, not price setters. Their customers are grocery and restaurant produce buyers who are under enormous pressure to secure fresh produce at the lowest cost possible, and they have many options in most fresh produce items, including those grown in the Coachella Valley. This council can mandate higher wages be paid to farm employees, but it cannot mandate that the grocery and restaurant buyers will accept that additional cost and pass it along to consumers. In fact, we know they won't. They will look elsewhere for fresh bell peppers, lettuce, cabbage, table grapes, dates, citrus and other Coachella-grown produce. Farmers in Mexico will likely be the only beneficiaries of this mandate.

This mandate cannot be implemented in a bubble; the laws of economics cannot be switched off. There will be unintended consequences, the most likely being a dramatic decline in production by local farmers this season and possibly longer as grocery stores and restaurants turn elsewhere in the supply chain, building relationships with growers in other places. It will be very difficult to lure those buyers back. All of this translates into lower earning opportunities for local farm employees and reduced economic activity in the region.

Agriculture is a vital source of jobs and one of the key economic drivers in the Coachella Valley. With other industries such as hospitality also being hit hard by the pandemic, the focus should be on policies that help local businesses get back on their feet, not bring them to their knees.

Dave Puglia

President & CEO  
Western Growers



cc: The Honorable Raul Ruiz, United States Congress

Secretary Karen Ross, California Department of Food and Agriculture

Senator Rosilicie Ochoa Bogh, California State Senate

Senator Melinda A. Melendez, California State Senate

Senator Richard Roth, California State Senate

Assemblymember Eduardo Garcia, California State Assembly

Assemblymember Jose Medina, California State Assembly

Assemblymember Chad Mayes, California State Assembly

Assemblymember Kelly Seyarto, California State Assembly

Assemblymember Randy Voepel, California State Assembly