

GROWERTALKS

JZ on D.C.

7/1/2022

Farm Labor Survey Points to Daunting Labor Cost Increases for 2023

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With the release of the first and second-quarter data from USDA's NASS Farm Labor Survey in May, growers who use the H-2A program have more insight into where next year's H-2A "adverse effect wage rate" (AEWR) is headed.

The first-quarter national average wage, field and livestock worker combined was \$16.37, an increase of over 8.5% over the same period last year. The second-quarter national average wage, field and livestock worker combined was \$16.27, an increase of 8% over 2021.

Though nothing is for certain until the second two quarters of data are in, a number of states appear headed toward 10% or greater increases. Only Kentucky, Tennessee and West Virginia have increases below the "annual increase" caps that are a feature of the pending Farm Workforce Modernization Act; most states are running well above levels where those caps would kick in and bring some relief.

As a refresher, the Farm Labor Survey data is used to determine the next year's H-2A AEWR. The second-half fiscal year data, covering the final two quarters of 2022, will be published in November. USDA and the Department of Labor also use the data collected to provide estimates and updates on the availability of agricultural workers. You may find the quarterly reports published at nass.usda.gov/Surveys/Guide_to_NASS_Surveys/Farm_Labor.

—Craig Regelbrugge, Executive VP for Advocacy, Research, & Industry Relations, and Sara Neagu-Read, Director of Advocacy and Government Relations, AmericanHort

Push-back on Overtime Changes

As the Department of Labor (DOL) considers changes to federal overtime exemption rules, a diverse coalition of business interests is pushing back, urging DOL to abandon, or at a minimum postpone, pending rulemaking.

The DOL's expected rulemaking would bring changes to the Fair Labor Standards Act's overtime exemption for executive, administrative, professional, computer and outside sales employees. While the full scope of changes that may be proposed is not yet clear, one may presume DOL will seek to narrow and constrain use of the overtime exemption.

Limits to the so-called “white collar exemptions” could have rather broad impact on member businesses at a time when employers are struggling with an extraordinarily difficult labor market, high inflation and lingering supply chain disruptions.

The letter, sent by the Partnership to Protect Workplace Opportunity, urges DOL to abandon or postpone its overtime rulemaking out of a recognition for these extreme challenges.

—Craig Regelbrugge

Secretary Vilsack Calls for Ag Research Funding and Labor Reform

Agricultural research received top billing at a Senate hearing in mid-May regarding the U.S. Department of Agriculture’s (USDA) proposed fiscal year 2023 budget.

Secretary Tom Vilsack opened his comments to the Agriculture Appropriations Subcommittee by highlighting the federal government’s declining investment in agricultural research relative to other fields.

“At one point in time, [agricultural research] represented 4.3% of the overall non-defense research allocations in appropriations for the federal government,” said Sec. Vilsack. “Today, it is 2.3%.”

Meanwhile, federal investment as a share of all food and agricultural research is shrinking as well. In his written statement, Sec. Vilsack shared the surprising statistic that federal funding represented roughly half of all public and private agricultural research investment in the U.S. between 1970 and 2008, but has since declined to under 30%. The difference is concerning because private investment tends to focus on more narrow projects with near-term commercial applications, while federal funding drives high-impact R&D that may take years to show results.

Moreover, given the diversity of products, specialty crops like nursery and floriculture are more dependent on federal funds for R&D than major commodity crops and livestock. Nursery and floriculture sectors receive research funding via the Farm Bill and annual spending bills. When Congress renews the Farm Bill next year, AmericanHort and its partners will advocate for robust support of two key programs: the Specialty Crop Research Initiative and the Specialty Crop Block Grant Program.

In recent weeks, AmericanHort also has led an advocacy effort to increase funding in USDA’s annual investment in the Floriculture and Nursery Research Initiative.

Later in the hearing, Sec. Vilsack highlighted another area of alignment between our industry and his legislative priorities: H-2A and farm labor reform. In a brief, but memorable, exchange with the panel’s Ranking Member Senator John Hoeven (R-ND), Sec. Vilsack once again called on the Senate to advance the House-passed Farmworker Modernization Act (FWMA). He emphasized the “lack of confidence” farmers feel in the current system and said anything short of a legislative fix simply “puts a Band-aid” on the problem.

A longtime advocate for workforce reforms, the Secretary expressed frustration with the state of negotiations, saying he “cannot understand” how the FWMA can pass the House on a bipartisan basis with support of labor and agriculture communities, but stall in the Senate. You can watch the back-and-forth (starting at 1:48:40) and view the entire hearing at tinyurl.com/AgApprop.

—Evan Lee, Director of Policy & Government Relations, AmericanHort