



January 2, 2020

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

We write to you today concerned by the dire labor situation facing our nation's agricultural producers. In recent years America's farmers have been hampered by catastrophic weather events, faced headwinds and retaliatory tariffs in our top export markets, and experience lower cost of production imports negatively impacting American markets. All of these factors have resulted in commodity prices and farm income falling significantly from just a few short years ago. A devastating labor shortage is impacting farmers today and jeopardizes the future success of U.S. agriculture. We must address this labor crisis harming farms across the United States so our producers can continue to feed, clothe and fuel our nation. Doing so requires key changes to the H-2A program, the visa program farmers use to hire legal workers to supplement their U.S. workforce, and stabilization of existing workers.

Farmers who use the H-2A program are required to go through an expensive, complicated application process to ensure no domestic worker is displaced by the hiring of a guest worker, even though there are few U.S. workers who are willing to fill these jobs. H-2A employers must also provide certified housing and transportation to guest worker employees for free. In addition to free housing and transportation, H-2A employers are required to pay workers and those in corresponding employment the Adverse Effect Wage Rate (AEWR), an inflated wage rate produced using flawed survey data that does not take into account the value of other expensive benefits provided to the workers. The Department of Labor also fails to consider the agriculture industry's capacity to absorb additional costs when it implements annual changes to the AEWR.

Each year the Department of Labor publishes the new AEWR to be implemented for the next calendar year. Today, the new AEWR goes into effect, and farmers' labor costs will suddenly increase by an average of 6% while revenues for agricultural goods continue to diminish. This 6% increase is just the nationwide "average" for 2020. In many parts of the country, farmers will be forced to absorb increases of nearly 10%, and some of those same farmers experienced increases of more than 22% last year. These AEWR increases far outpace the average wage growth experienced across the broader U.S. economy during the same two-year span.

Many farmers who utilize the H-2A program grow the fresh fruits and vegetables that are vital to a healthy diet. Over the last five years the national average AEWR has increased by 17% while revenues for fruits and nuts have only increased 3%, and revenues for vegetables and melons have not increased at all. While American farmers are required to pay their H-2A employees more and more each year in addition to already receiving free housing and transportation, the U.S. continues to increase produce imports from Mexico, and Central and South America. The U.S. even has significant wage disparities compared to Canadian agricultural operations where farm workers are paid between \$8.72 and \$11.55 per hour for their work on fruit and vegetable farms, while in Mexico workers are paid a fraction of that amount. Comparatively, the national average for the 2020 H-2A AEWR is \$13.99 per hour.

Furthermore, there are entire sectors of agriculture that cannot access the H-2A program due to its seasonal requirement. Thus, farmers who produce healthy foods year-round – such as dairy farmers or mushroom producers – have no method for hiring guest workers once they have exhausted domestic labor options. Regardless of whether their crop is seasonal or grown year-round, America's farmers face the same labor crisis. They need access to a guest worker program that will allow them to build the workforce required to continue to feed, clothe and fuel America.

American farmers and ranchers are innovative, and they continue to become more productive and efficient, but with these crippling financial realities, our producers are struggling to stay in business. As evidence, Chapter 12 family farm bankruptcies over the previous 12 months were up 24% compared to prior-year levels.

American farmers of all sizes, but especially small- and medium-sized growers, are at a critical juncture, and many do not see a future in labor-intensive agriculture as the margins between profitability and loss grow thin due to the federal government's misguided policy. This is not only a matter of keeping American farms open for business, but also ensuring the vitality of rural economies which rely upon agriculture as a primary economic driver. Without farm workers there are no farms, and without farms, businesses that provide services to farmers and rural communities will suffer too. Excessive labor costs in the U.S. put domestic producers at a competitive disadvantage and factors into decisions to move more food production abroad, an important national security issue.

As the new AEWR goes into effect today, we ask the Senate to recognize the urgent need for legislation that improves H-2A for all farms and ensures a level playing field for America's farmers and ranchers making them more competitive with foreign producers. While addressing the AEWR is a critical part of agricultural labor legislation, we also ask that you seek solutions to stabilize the current workforce and provide guest worker program access to year-round agriculture sectors such as dairy, livestock and mushrooms.

As representatives of agricultural organizations throughout the United States, we stand ready to help you craft legislation that addresses the needs of American farmers, by stabilizing the current workforce, providing access to a program for year-round producers, and in particular implementing an alternative to the flawed Adverse Effect Wage Rate.

Sincerely,

American Farm Bureau Federation

AmericanHort

Florida Fruit and Vegetable Association

National Council of Agricultural Employers

National Council of Farmer Cooperatives

National Farmers Union

National Milk Producers Federation

National Potato Council

USAFarmers

U.S. Apple Association

United Fresh Produce Association

Western Growers Association

cc: U.S. Senate