NATIONAL
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Reality Check: NCAE, Agricultural Community Celebrates as Agricultural Wages Reined in Toward Reality

(Arlington, VA) The National Council of Agricultural Employers (NCAE), its members, and the agricultural community nationwide are celebrating a recent announcement from the Department of Labor (DOL) that it will provide much-needed relief to America's farmers and ranchers. In an Interim Final Rule previewed earlier today, DOL announced that it will take action to rein in agricultural wages, to try and bring them back toward reality.

"For years," explained Michael Marsh, NCAE's President and CEO, "federal bureaucrats held a regulatory gun to America's farm and ranch families' heads, forcing them to pay an escalating, imaginary wage for farm jobs. These wages were untethered to reality or the market. Likewise, for years, NCAE has fought nonstop against mandated wage rates disconnected from the market and worked to have the Department put an end to this bureaucratic nightmare."

"After undergoing years of regulatory abuse, often influenced by anti-American farmer activists, the agricultural community is grateful to Secretary Chavez-DeRemer, Deputy Secretary Sonderling, Secretary Rollins, Deputy Secretary Vaden, and the leadership at DOL and USDA for doing what it takes to put America's farm and ranch families first. Their swift action and attention to the calls for action from the American agricultural community will result in an estimated $2.4 billion dollars returned to family farmers' and ranchers' pockets."

"Farm and ranch families are undergoing a crisis, largely due to out-of-control wage rates, putting family farms, U.S. production, and rural America at risk. At a time where the number of farms is plummeting and the U.S. production is fleeing to our foreign competition, this IFR is a welcome change which we hope to start to turn that tide. Returning control over wages to the market rather than to a bureaucrat's whimsy gives America's farmers and ranchers a real chance to compete on the market against foreign competitors."

In the IFR, DOL explains that "[t]here is ample data showing immediate dangers to the American food supply," caused by these inherently inflationary wages, which posed, "an imminent risk to the supply of agricultural labor by setting unreasonably high price floors on labor." This IFR works to address these threats to American agriculture by implementing a methodology it believes results in more "precise market-based price floors that still serves its statutory function of protecting American workers, but also, ensures that American supermarkets and U.S. consumers will have access to safe, affordable and American-grown produce."

DOL's IFR comes just weeks after the Department's 2023 AEWR suffered a long list of legal challenges and losses, including a challenge involving NCAE. These litigation efforts were instrumental in dismantling this wrongheaded regulation. The final death knell for the 2023 rule came when a federal court in Louisiana vacated the DOL's 2023 Adverse Effect Wage Rate (AEWR) Methodology rule which incorporated wage data from the Occupational Employment and Wage Statistics (OEWS) to set wages for non-range agricultural occupations. DOL subsequently released an announcement that essentially scales the wage rate to a 2010 regulation that defaulted to use of the Farm Labor Survey (FLS) for establishing wage rates. Following that announcement, USDA made the determination to discontinue surveys, reducing paperwork burden, and further administration of the FLS program. USDA's decision created a regulatory vacuum which this IFR attempts to fill.

The IFR provides farmers and ranchers with a new wage mechanism which agricultural employers are required to pay. The new wage rates rely solely on the Bureau of Labor Statistics' Occupational Employment and Wage Statistics as the source for wages for each state. Under this new rubric, employers are also granted downward compensation adjustments to the applicable AEWRs which employers can apply on wages paid to H-2A workers who receive free housing.

"According to the USDA's most recent Census of Agriculture from 2022," noted Marsh, "America lost 140,000 farms and ranches in the five years from 2017 to 2022. At the same time the nation fallowed more than 20 million acres. Already, too many family farms and ranches have been forced to sell farmland, offshore production or otherwise stop operations altogether. A chief reason for this crisis that has crippled rural America has been the exploding, unrealistic cost of labor. The agricultural community is grateful for the Trump administration's attention to the community's urgent call for help. With wage rates reined in back toward reality, we are hopeful that America's family farmers and ranchers can get back to doing what they do best, feeding America and the world. This is an incredible moment for American agriculture."

NCAE recently announced a special panel, "Eye of the Storm: Investigating the IFR for American Ag," which the Council will host at the upcoming 2025 Ag Employer Labor Forum, taking place December 3-5 at the M Resort in Las Vegas. Agricultural economists and regulatory experts will unpack what the changes contained in the IFR mean for America's agricultural community. Members of NCAE and members of the agricultural community at-large are encouraged to register to attend this exciting panel discussion.

"Our members and the agricultural community at-large are excited by the opportunity for much overdue relief from out-of-control Adverse Effect Wage Rates," stated Marsh. "This is a pivotal moment for the agricultural community – one that could make or break the future for many of America's farm and ranch families for generations to come. We are excited to unpack this critical rule and so much more with our attendees in Las Vegas."

NCAE is the national trade association focusing on agricultural labor issues from the employer's viewpoint.

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