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After Supreme Court Hears Sun Valley Orchards, NCAE Calls on Justices to Restore Farmers' Right to Their Day in Court

WASHINGTON, D.C. (November 10, 2026) – The U.S. Supreme Court today heard oral argument in *Department of Labor v. Sun Valley Orchards, LLC* (No. 25-966), which will decide whether the Department of Labor can prosecute, judge, and collect penalties from H-2A employers in its own in-house tribunal. The National Council of Agricultural Employers (NCAE), which spearheaded a coalition amicus brief with the Southeastern Legal Foundation (SLF) in support of Sun Valley, called on the Court to uphold the Third Circuit's ruling that the case belongs in an independent federal court.

During the argument, Justice Neil Gorsuch noted that in *FCC v. AT&T*, the Court read similar penalty language to mean only "the right to assign a penalty that could then be subject to enforcement in court," and asked the government, "Why isn't that the more natural reading of the statute?" That is the central argument of the NCAE-SLF brief. Justice Brett Kavanaugh pointed to the Court's precedent in *Tull v. United States* that civil penalties are a punitive remedy that can "only be enforced in courts of law," calling it "a fairly definitive statement in our precedent."

The Department assessed more than $550,000 in penalties and back wages against Sun Valley, a family-owned New Jersey farm, largely over paperwork and meal-plan issues, and decided the case entirely within its own system of agency judges and review boards.

"Every farmer who uses the H-2A program was tuning in to today’s critical hearing, and our voice was heard," **said NCAE President & CEO, John Hollay**. "Justice Gorsuch's question went to the heart of our brief: Congress gave the Department the power to assess penalties, not to build its own courts. Farmers accept that they must follow the program's rules. They should not have to accept a system where the same agency writes the rules, brings the charges, hears the case, and

collects the money. When the government seeks to take the livelihood of a family farm, that farm family deserves its day before an independent judge."

The NCAE-SLF brief, joined by 19 national and state agricultural organizations, argues that Congress authorized the Secretary of Labor to impose H-2A penalties but never authorized agency courts to adjudicate them, though it expressly provided for agency hearings elsewhere in the same law. Read the Department's way, the brief contends, the statute would be an unconstitutional grant of unchecked power.

A decision is expected by the end of the Court's term in June 2027.

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Amicus Coalition members: National Council of Agricultural Employers; AmericanHort; California Farm Bureau Federation; Florida Farm Bureau Federation; Florida Fruit & Vegetable Association; Georgia Fruit and Vegetable Growers Association; Idaho Dairymen's Association; International Fresh Produce Association; National Association of Landscape Professionals; National Onion Association; National Potato Council; New York State Horticultural Society; New York State Vegetable Growers Association; North Carolina Growers Association; North Carolina Sweetpotato Commission; Southeastern Legal Foundation; Texas Citrus Mutual; Texas International Produce Association; Texas Vegetable Association; Washington State Dairy Federation; and Western Growers Association.

About NCAE: *Founded in 1964, NCAE is the only national association focusing exclusively on agricultural labor issues from the agricultural employer's viewpoint.*