December 9, 2022

United States Senate
Washington, DC 20510

United State House of Representatives
Washington, DC 20515

Dear Member of Congress,

We write you today concerned about the dire labor situation facing our farmers in the coming months. Our farmers have been hampered with record uncertainty over the past few years, including: weather events, a global pandemic, unprescedented spikes in inputs like fertilizer and fuel and record inflation. As we prepare for 2023, we soon expect the Adverse Effect Wage Rate (AEWR) to increase by 12.8%.

The AEWR is the minimum wage required for participation in the H-2A visa guest worker program both for the visa workers and other U.S. based workers on farms. The 2023 AEWR is expected to be officially published in late-December in the Federal Register by the Department of Labor. The numbers are derived from this year's USDA's November Farm Labor Report. Michigan's rate is projected to increase from $15.37 per hour to a staggering $17.34 per hour. This is up from $11.30 in 2013, and nearly 33% in the last five years.

Unfortunately, the Department of Labor fails to consider the agriculture industry's capacity to absorb additional costs when it implements annual changes to the AEWR. Michigan farmers do not have the ability to pass these increases on to consumers. This trend will only exacerbate Michigan farmers exiting the industry and abandoning growing certain crops here in our state.

Michigan agriculture is the second most diverse in the United States behind California. Many of our specialty crop farmers have moved toward the H-2A visa program as the only alternative for a reliable source of labor. H-2A use in Michigan has increased at a rate of more than four times that of the U.S. as a whole between 2015 and 2021, as fewer and fewer follow-the-crop domestic migrant labors leave agricultural employment. Seasonal agricultural jobs help to sustain year-round positions on our farms, in agricultural processing and in both rural and urban communities across Michigan.

Our competitors from low-wage countries are taking advantage of this continued government-imposed wage escalation. Workers in Mexico for example may earn $10-12 per day. Late last month, USDA revised their estimates for 2023 fruit and vegetable imports upwards adding $500 million and bringing the total to $49.1 billion. USDA reports that the largest component of import growth is horticulture products of which fruit and vegetable increases comprise 60%. They also note that these increases are due in part to high U.S. production costs. Finally, according to USDA import volumes have increased 15.5% since 2019.

As Congress finishes the last few days of the 117th Session, we strongly urge Congress to freeze the Adverse Effect Wage Rate at 2022 levels as part of a year-end spending deal. Michigan farmers cannot continue to endure these unpredictable input costs without this needed relief.

Sincerely,

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