



November 5, 2021

The Honorable Debbie Stabenow
United States Senate
Washington, DC 20510

Dear Senator Stabenow:

On behalf of the Michigan Asparagus Advisory Board (MAAB) and Michigan's asparagus growers, I want to make you aware of the significant increases in H2A labor costs we are likely to face next spring. As you know, asparagus is a hand-harvested crop and most Michigan asparagus growers use H2A labor. We expect the adverse effect wage rate (AEWR) will increase at least 10 percent because of the impacts of COVID on the U.S. labor market and the general economy.

The May 2021 release of USDA's Farm Labor Survey showed a 5-7 percent increase in farm wages year over year. This was before the significant increases in labor costs in the general economy this summer and fall – averaging about 10 percent year over year. In addition, August 2021 wages for workers with a high school diploma increased 14.5 percent from 2020 and since January 2020, food manufacturing wages have increased 10.3 percent and packing plant wages have increased 13.4 percent.

The U.S. Department of Labor (DOL) will use pandemic induced wage rates -- identified as transitory by many economists -- to calculate 2022 H2A wage rates. Michigan asparagus growers will face the wage impacts of COVID again next season no matter what transpires in the general economy in 2022. In addition, our growers will pay significantly more for inputs next season as well.

Labor costs make up more than 50% of asparagus grower expenses. Since 2015, H2A labor rates have increased 27 percent while farmgate prices received in 2021 were the same or a bit less than they were in 2015. This situation is unsustainable and yet DOL is moving along as if COVID isn't a factor for growers. It appears they have not recognized that COVID has created a non-traditional labor market and will lock in the impacts of COVID for yet another year for our asparagus growers on top of all the other challenges we face.

We are sending a similar letter to Senator Peters. Thank you for all that you do for Michigan agriculture.

Sincerely,

Jamie Clover Adams
Executive Director