

August 26, 2024

Office of Information & Regulatory Affairs
Office of Management and Budget
Executive Office of the President
Washington, DC 20503

RE: OMB Control Number 0535-0109 -- Agricultural Labor Survey ICR

The following input provided on the USDA's Farm Labor Survey (FLS) Information Collection Request is submitted by eight Michigan commodity organizations. **We recommend that OIRA reject USDA's request until additional resources are secured and adjustments are made to the sample universe so the FLS provides reliable agricultural labor data.** Simply continuing to implement the FLS in the same manner overstates agricultural wages in the Lake Region and causes substantial financial harm to Michigan growers utilizing the H-2A guest worker program.

Response Rates Have Declined Potentially Skewing Data

We are concerned that the response rates, even with the small increase proposed by USDA for all states excluding California, may not be large enough to secure data that accurately reflects the labor market in Michigan. In the Lake Region which includes Michigan, Wisconsin and Minnesota, the response rates have dropped from about 65% in 2012 to about 40% in 2023 according to Michigan State University (MSU). This significant drop in response rates could be one reason why there is increased volatility in the Adverse Effect Wage Rate (AEWR) from year to year and may contribute to rising AEWRs if the set of respondents who respond to the survey are increasingly skewed toward higher paying employers. When the FLS is compared to other farmworker wage surveys for the Lake Region – the US Census Bureau's Community Population Survey (CPS), the US Census Bureau's American Community Survey (ACS) and the National Agricultural Workers Survey (NAWS) – the FLS wage tends to be higher than the wage estimates for these surveys. Unfortunately, USDA was unwilling to permit a labor economist from MSU to review some of the FLS data to determine how or if declining response rates were affecting the data.

From USDA's 30,000-foot view of its survey the results look fine, but you can lose what's really happening when you only look at the macro data and refuse to allow other professionals to review what you've collected. While a 50 cent or one dollar per hour difference in the field and livestock combined gross wage rate may not seem like a lot to statisticians in Washington, DC, it makes a huge difference to the economic viability of our growers.

Inclusion of Guest Worker Wages Potentially Skews Data

According to USDA, the FLS data is used in several different ways. From our perspective, the most important use is by the Department of Labor to establish annual AEWRs. USDA shared in their ICR submission that wage estimates have been published for more than 160 years. American agriculture has changed significantly over that period and the makeup of the agricultural workforce has changed substantially since the Immigration and Nationality Act was amended in 1986 – the number of H-2A guest workers has increased twelve-fold nationally and the number of workers in row crop agriculture has declined significantly due to automation.

These two trends would amplify the effect of including H-2A guest workers in the survey results over time.

When comparing the total number of H-2A guest workers in an average month to the total number of non-H-2A direct hire crop and animal employees in an average month in the Lake Region, US-based direct hire employment has remained relatively steady since about 2017 while the average number of H-2A guest workers per month started increasing about that same time. The share of H-2A guest worker employment has increased about 800% since 2010. Therefore H-2A guest workers are much more likely to be included in the Lake Region sample after 2017.

Including H-2A guest workers in the FLS creates two problems. First, including H-2A worker wages that are established based on the AEWR as part of the survey to determine subsequent AEWR wages violates the basic principle of independent (predictor) variables – the AEWR is a dependent variable and data directly derived from a dependent variable should not be included with other independent variables (domestic worker wages) to determine the AEWR. Second, as the number of H-2A guest workers increase and the number of domestic workers decrease due in part to automation, a continual upward and volatile wage spiral is created. Removing H-2A guest workers would reduce the reporting burden for growers and eliminate drivers that may be leading to the significant escalation in the AEWR for the Lake Region.

Domestic Workers Hired by Farm Labor Contactors Not Included Potentially Skewing Data

The FLS does not include domestic farm workers hired and deployed to farms by farm labor contractors. In the USDA's ICR submission, they outline all the different ways the FLS data is used – establishing the AEWR, estimation of agricultural productivity, utilized as components in personal and national income for the agricultural portion of GDP, and helping to measure changes in costs of production of major farm commodities to establish farm policy, to name a few. All of these uses need more reliable estimates for all farm workers. USDA's data collection should reflect the ongoing workforce changes in agriculture and adjust the FLS to reflect those changes. Doing things the way you've always done them and ignoring what's happening in agriculture leads to data that is not reflective of reality and is not reliable.

Accurate and reliable data that reflects what's going on in the agriculture labor market is critical to our grower members. The FLS no longer provides accurate and reliable data to establish the annual AEWR for the Lake Region. The FLS should change as the modern agricultural workforce has changed over the past decade to meet the goals USDA has outlined in the ICR submission.

Sincerely,

Michigan Agribusiness Association
Michigan Apple Association
Michigan Asparagus Association
Michigan Blueberry Advisory Committee
Michigan Cherry Committee
Michigan Farm Bureau
Michigan State Horticultural Society
Michigan Vegetable Council