



**NCAE Annual Year-End and Year-Ahead Progress, Process, and Priority Letter
February 2017**

The National Council of Agricultural Employers (NCAE) is the national trade association focused exclusively on the needs of agricultural employers. NCAE advocates for US agricultural employers before Congress and federal regulatory agencies. Key issues for NCAE include federal agricultural labor and immigration policy, as well as other agricultural employer issues including health care reform, occupational safety, youth employment, and more.

With your support NCAE moved its offices back into the District of Columbia in late 2015 to be even better positioned to leverage its networks and ability to react quickly on behalf of its Members and of all agricultural employers. We believe the organization realized significant benefit from this physical move in 2016 in addition to real growth and benefits from the closer direct day to day relationships with CJ-Lake and our other DC based allies. We believe NCAE does, and will, thrive best as a DC based organization.

NCAE Membership numbers have grown modestly again in 2016 and, importantly, the most recent new Members have tended to join at the Benefactor and Supporter levels (\$3850 and \$1825 respectively) which. This new Member trend, coupled with a higher percentage of renewals allowed staff to spend less time soliciting and collecting operating funds and more time addressing employer issues and planning/managing excellent programming. As you can see from the attached financial summary for 2016, we ended the year well in the black--- the successful 3rd annual Las Vegas Ag Employer Forum was an important contributor.

Financially, we ended 2016 with a larger surplus than we have seen in over 10 years. While the Labor Forum was the major contributor to that (70%+) this was also a direct result of cutting any/all costs not directly related to Member value, prompt dues payment by Members, a policy of seeking travel expense reimbursement when your Executive travels to speak, and exceptional performance in attention to details, meeting planning, and overall management skill of NCAE's Administrative Manager, Meghan Quirk.

In December 2016 we hosted nearly 250 paid attendees at our 3rd annual Agricultural Employers Labor Forum in Las Vegas, NV. Yes, annual! Based on reviews and apparent financial

sustainability, we have contracted with the Tropicana for the same timeframe in both 2017 and 2018, with options to review for future years. We will retain the Wednesday, Thursday, half-day Friday format and will continue our outreach to widen the attraction and value offered to attendees and sponsors.

We continued to work closely with the Agricultural Workforce Coalition (<http://www.agworkforcecoalition.org/>) to remain in the middle of any potential legislative progress on immigration as related to Ag Employer needs. Since there was little federal legislative movement in 2016, we focused most of NCAE's staff efforts on regulatory issues. As with most outgoing administrations, the Obama administration proposed "a slew" of new regulations, interpretations, and guidance of concern to our Members.

During 2016 we participated in signed on to numerous larger group declarations of concern or opposition, interacted with regulatory agency staff at both public and individual meetings, requested Congressional assistance with regulators. We are among the leadership groups in ongoing and new regulatory discussions dealing with attempts to delay the Pesticide Worker Protection Standard implementation (formal comments in 2015, failed requests to delay until after the 2017 season), general federal regulatory process modernization, and the important differences between labor intensive agriculture production versus highly mechanized crops. We will continue these efforts in 2017.

In 2016 NCAE offered specific substantive written comments on the following proposed Federal regulations:

- RIN: 2070-AJ20. 16/01/23. US EPA proposals to substantially change Pesticide Applicator Certification Requirements. NCAE commented on those segments that had potential to negatively impact Ag Employers. Final rule is still under review.
- RIN: 1615-AC08. 16/07/06. USCIS fees increases. NCAE objected to those fee increases directly related to H-2A visas based on poor USCIS performance and responsiveness as well as the fact that fees for 10 months or less are the same as much longer duration/higher value visas. Fee increases were implemented as proposed.
- RIN: 2126-AB88. 16/08/16. DOT proposals to require CDL drivers (likely employer paid) to undergo sleep apnea testing and treatment. NCAE commented on negative impact on employers, particularly smaller ones. This proposal has not been implemented.
- RIN: 1190-AA71. 16/10/14. INS enforcement standards. NCAE commented on ambiguities that could lead to unfair/unwarranted charges about document discrimination that employers would find nearly impossible to defend. This proposal was amended to remove the most onerous portions.

On the communications front, NCAE's weekly News Briefs continue to be well read, commented on, and regularly quoted in other associations publications. News Briefs Facebook page appears to reach over 100 people monthly and is regularly shared by NCAE Members and friends. We would welcome your feedback on the new News Briefs format. NCAE is featured in monthly Ag Employer Labor Issues columns in Fruit Grower/Vegetable Grower News, USCHI's Harvest News, and the NY Apple Association's CORE Report in addition to at least monthly quotes in other publications whose reporters or editors have been present at Frank's presentations, or have called for interviews or information. We believe this trade media presence has not only attracted new Members, but that it has also helped with Member retention, and we know it has boosted attendance at our Las Vegas forums because some of those participants have indicated so. Overall, our media presence strengthens the association.

As our members are well aware, US Agriculture faces a growing shortage of experienced and legally authorized agricultural workers. US Citizens are largely unwilling to engage in this rigorous work. Widespread domestic seasonal migrancy is a thing of the past, and guest worker programs are not adequately responding to the marketplace. This shortage negatively impacts America's global economic competitiveness, the US economy, and American jobs. Most farm workers are now foreign-born and work seasonally. Every farm worker engaged in high-value labor-intensive crop and livestock production sustains two, three, or more local off-farm; but farm dependent year-around jobs in processing, supply, transportation, marketing, and retailing farm products. These off-farm jobs are the lifeblood of rural communities all over the USA, supporting working families across rural and small-town America.

The result of these labor shortages on the domestic production of labor intensive agricultural crops is that USDA now estimates that over one fourth of all US human food consumed is now imported, and the percentage grows annually. This is a jobs issue, and economic issue, and a national security issue.

Due to our labor oriented-focus, NCAE's key legislative and regulatory agenda going into 2017 includes:

Short Term: NCAE stands with others who will oppose mandatory e-verify and other sanctions not coupled with sufficient labor supply solutions including improvements to the current (H-2A) and future legal circular migration programs so that willing and able workers can be sourced and returned home each year. We ask that any Congressional border security, internal enforcement, and employer sanction policies be coupled with improved access to legal employees who are willing, able, and available when needed. 'Enforcement only' will leave America's food producers high and dry, many will not survive until labor provisions catch-up.

NCAE's key focus working with the incoming Trump Administration and the 115th Congress include:

- Modernization and improvement of agricultural labor laws and regulations. America's labor laws and regulations are grounded in a past that included large numbers of migrant and local seasonal workers. These labor pools no longer exist and we must transition to ethical, safe, legal, and workable legislation and regulation to predictably and reliably manage true circular migration.
- Continued full participation with the AWC legislative reform effort.
- Focused effort by NCAE and other allies to make regulatory modernizations or improvements to the current H-2A program to help the federal agencies involved manage the program more quickly, predictably, and economically under the current legislation. Although NCAE will work directly with the US Departments of Labor, Citizenship and Immigration Services, and State; we will continue to request Congressional support in these efforts.
- NCAE will continue to be directly involved in all Congressional efforts to legislatively address improvements to both the current H-2A program and future programs to assure that agricultural employers have access to sufficient numbers of workers and will be competitive with other countries to produce our food crops. Important elements and provisions include:
 - USDA primacy over agricultural labor programs.
 - Competitive, transparent, and predictable wage structures.
 - Adequate resourcing of all agencies regulating/managing seasonal worker circular migration (guest worker) programs.
 - Simplification to include a single online federal application to be drawn from by all agencies involved rather than three separate but similar duplicative processes.
 - Broaden the program sufficiently to accommodate employers with year-round labor needs, or simplify the "special procedures" necessary to supply them.
 - Provide more flexibility to the beginning and end of season in recognition that agricultural production is highly variable due to weather and other factors.
 - USDA 514 loan housing available for all legal workers.
- Work with Congress on the Affordable Care Act replacement legislation to assure any employer mandates offer seasonal exemptions and flexibility for managers, and year-around employees.
- Revise Overtime exemptions and provide appropriate exemptions for seasonal activities.
- NCAE participates with and endorses Regulatory Improvement Plans initially proposed by American Farm Bureau, the US Chamber of Commerce, and others. Elements of these improvements are found in REINS and/or HR-5. NCAE members have experienced unnecessarily complicated rules for domestic workers and for the approval and management of temporary workers, and these rules are constantly changing with severe

penalties for even trivial errors in paperwork processing. For this reason, we support reforms to the regulatory process such as those in H.R. 5.

- Genuinely engage a broad spectrum of agricultural employers in writing, prioritizing, and managing agricultural legislation and regulation. Legislative and regulatory efforts have focused inordinately on the extremes of highly mechanized agriculture or small, beginning, and/or organic production; neglecting the agricultural employers who produce 80% of the food we eat.

To address the agricultural labor crisis in the US, NCAE engages directly with Congress and regulatory agencies and is a participant in the Agricultural Workforce Coalition (AWC) made up of the leading agricultural associations in the country. (For more information, including organizations engaged, see AWC's website: <http://www.agworkforcecoalition.org/>)

The key AWC talking points, fully endorsed by NCAE, include:

- The only long term solution to this crisis requires positive legislative reform that includes both a new, or significantly improved program to provide predictable market driven access to a legal workforce into the future; and a means to legally continue employment of current experienced but unauthorized agricultural workers.

We ask both rural and urban legislators, of both parties, to stand-up for those who produce the food Americans and the rest of the world need to eat every day. Healthy and economically viable US domestic food production is a critical economic, national security, and moral issue that requires support at all levels.

NCAE is still working to expand outreach to, and service for both traditional Member areas in fruit and vegetable and nursery production but also in dairy and other livestock production. The dairy and livestock industry have participated in growing numbers in our Las Vegas Labor forums. We are working closely with the larger Agricultural Workforce Coalition (AWC) <http://www.agworkforcecoalition.org/> to assure legislation that will provide sufficient worker availability to all segments of agriculture production for future years.

We thank our entire membership for their tireless efforts; it is NCAE's pleasure to represent you in Washington.

Frank Gasperini
Executive Vice President
National Council of Agricultural Employers