

# Tobacco Growers Perspectives on Labor Issues

By:

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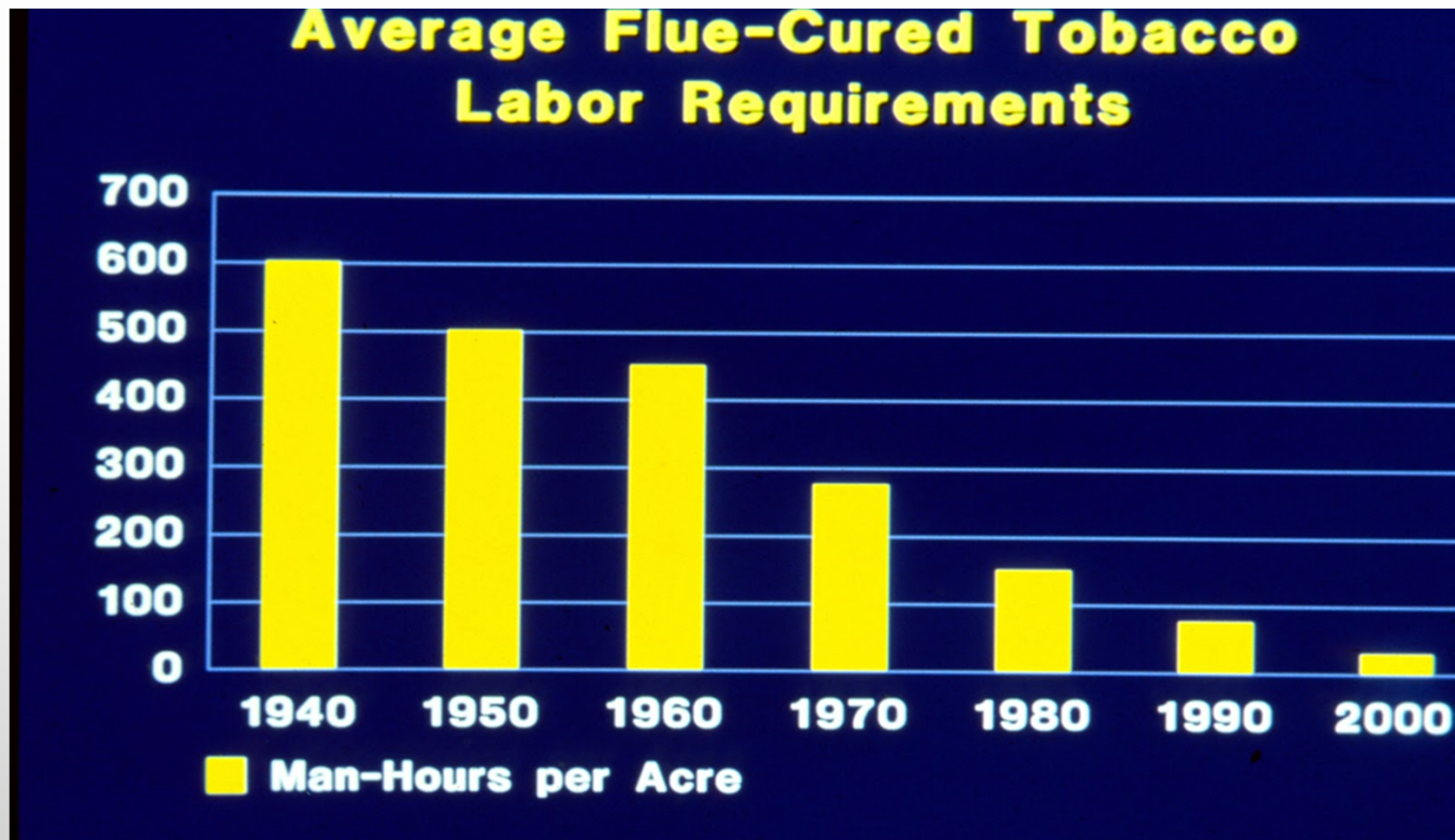
Tobacco Growers Association of North Carolina



**TGANC**

**Tobacco Growers Association of North Carolina**

# Historical Comparison of Labor Needs



# Seed Preparation 1970 compared to 2018





# Transplanting 1950 compared to 2018 – Current machines can set 40 acres/day





Harvest technology now enables one machine to harvest in 18 minutes what took six people all day just 50 years ago.



With So Many  
Labor  
Reduction  
Advancements-  
What Is  
Current Labor  
Related  
Concerns?

Stability of dependable and  
legal work force

Pressure from advocacy groups  
such HRW

Labor Unions

Wage rates

# Seeking Solutions



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Labor issues remain  
top concerns for  
most growers





# Labor costs remain the most expensive variable in producing the crop



LABOR

- Revise the H2A Program

- Since 2015 the cumulative AERW increase = \$1.24.
- This year AEWR = \$11.46 in NC
- Too much beaucratic paper work
- Total fringe costs (housing, transportation) brings aggregate value to near \$17.00 per hour.



# Legislative and/or Administrative Solutions

Fall of 2017, Representative Bob Goodlatte from 6<sup>th</sup> District of VA introduced the Agricultural Guestworker Act. Or the "AG Act".

It is written to replace the current H2A program with a more efficient, user friendly version that includes many improvements.

The new program would be known as H2C

The  
Washington  
Fix?

# What Does the AG Act Achieve?

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Base with USDA instead of US DOL

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Streamline Process – Reduce Paperwork

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Limits Frivolous Lawsuits

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Better, More Predictable Wage Formula

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No Housing Requirement

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No Transportation Costs

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Allows Undocumented Persons to Apply

## Next Steps

- Passed the House Judiciary Committee in October by one vote!
- Now awaits action by full House of Representatives
- Difficult to de-couple from overall immigration reform, “dreamers issue” and the “border wall”
- If no legislative resolve then must press for Administrative changes



# SUMMARY

- ❖ Labor laws are strictly enforced
- ❖ US Growers are very compliant
- ❖ Farmers recognize that employees are the most valuable asset in the entire farming operation
- ❖ Either wage rates get corrected or the price of tobacco must go up
- ❖ TGANC will continue to work for successful solutions

JUST LIVING THE DREAM...