

New Federal Rule Reshapes Farmworker Wages Under H-2A Program

The U.S. Department of Labor (DOL) has issued an Interim Final Rule (IFR) that reshapes how farmworker wages are determined under the H-2A visa program. Effective Oct. 2, the new rule moves away from the USDA's Farm Labor Survey and adopts a system based on Bureau of Labor Statistics data, marking a significant shift in agricultural labor policy.

At the center of the reform is the Adverse Effect Wage Rate (AEWR), a benchmark designed to ensure foreign guest workers hired under the H-2A program do not drive down wages for U.S. agricultural laborers. Historically, the AEWR has been calculated as a single statewide rate. Under the IFR, the DOL will now use the Occupational Employment and Wage Statistics (OEWS) survey to set two skill-based rates per occupation: one for entry-level positions and another for experience-level roles requiring certifications, training or specialized duties.

The new AEWR system establishes two distinct skill levels for H-2A workers, which directly impact pay rates. Skill Level 1 workers may require only a short demonstration or a few weeks of on-the-job training and perform basic tasks such as general harvesting, planting or assisting as part of a crew. In contrast, Skill Level 2 workers bring demonstrated knowledge or specific certifications, such as a commercial driver's license. In practice, most first-time H-2A workers will fall under Skill Level 1, while returning H-2A workers or those with proven specialized experience would qualify for Skill Level 2. Skill Level 2 workers will earn higher wages to reflect the added skill and responsibility.

According to the interim final rule, the employer's job offer and the duties performed for the majority of the contract period will be the basis for assigning the skill level. In practice, DOL (through the Office of Foreign Labor Certification) will make the final determination when certifying an H-2A application, but it is the employer's responsibility to describe the qualifications and duties in the job order.

Another notable change is the introduction of a housing adjustment factor. Because H-2A workers receive free housing, their hourly wage floor will be reduced by a standardized amount, while U.S. workers must continue to be paid the full AEWR. This adjustment aims to align compensation more closely with total benefits received.

The shift comes amid mounting labor challenges in American agriculture. By moving to skill-based wage levels, federal officials argue the policy will better reflect market realities while still protecting U.S. workers from wage suppression. DOL cites the risk of food supply disruptions and rising consumer prices if farms cannot access sufficient labor.

"This methodology results in more precise, market-based price floors that serve the statutory function of protecting American workers while ensuring consumers continue to have access to American-grown food," the DOL stated.

In Arkansas, the new rates are set at \$13.40/hour for Skill Level 1 farmworkers and \$16.18/hour for Skill Level 2 positions, with a housing adjustment of -\$1.13/hour applied to H-2A workers.

Neighboring states fall into a similar range, with Skill Level 1 wages averaging in the low-to-mid \$11 range and Skill Level 2 rates climbing into the \$16 range, reflecting the rising demand for skilled equipment operators and specialty crop labor.

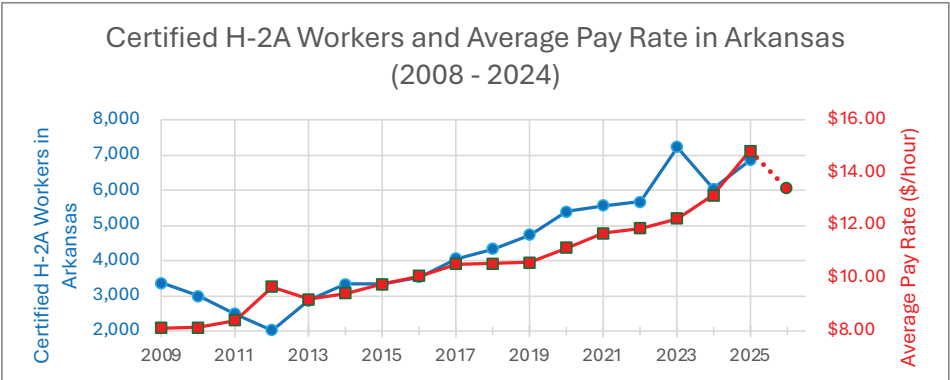
Rates are effective Oct. 2, for H-2A workers only; U.S. workers must be paid the full AEWL without adjustment.

This shift comes as labor costs have steadily climbed. In Arkansas, the AEWL rose from \$10.10/hour in 2016 to \$14.83/hour in 2025. Under the new rule, Skill Level 1 wages drop to \$13.40/hour in 2026, a 10% decrease from the previous minimum, or up to 18% when accounting for the housing adjustment. The reduction offers potential relief for producers who have struggled with escalating labor expenses, particularly small and mid-sized farms already operating on thin margins.

Agriculture remains a cornerstone of Arkansas’s economy, employing thousands of seasonal workers in poultry, rice, cotton, corn, soybeans, wheat and specialty crops. While the IFR is designed to strike a balance between protecting U.S. wages and providing farms access to labor, it will inevitably shape farm budgets, labor strategies and the region’s global competitiveness. The rule is open for public comment through Dec. 1, and industry groups are expected to weigh in heavily on its long-term impact.

Submit comments at www.regulations.gov under docket number ETA-2025-0008. Find the full IFR [here](#).

State	Skill Level 1	Skill Level 2	Housing Adjustment
Arkansas	\$13.40	\$16.18	-\$1.13
Missouri	\$14.56	\$18.74	-\$1.28
Mississippi	\$9.74	\$14.92	-\$1.15
Louisiana	\$9.59	\$14.84	-\$1.35
Texas	\$11.81	\$15.64	-\$1.60



Analysis by Tyler Oxner.
For more information, contact:
Tyler at (501) 228-1311, tyler.oxner@arfb.com.