

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON LABOR AND EMPLOYMENT

Liz Ortega, Chair

AB 2646 (Krell) – As Amended March 25, 2026

SUBJECT: Employment: minimum wages: agricultural workers

SUMMARY: Requires the minimum hourly wage for agricultural employees, as specified, to be nineteen dollars and seventy-five cents (\$19.75) per hour. Requires, commencing on January 1, 2027, and each January 1 thereafter, the \$19.75 hourly wage to be adjusted by an amount equal to the cost-of-living adjustment (COLA) for social security benefits for that year as published by the Social Security Administration (SSA). Specifically, **this bill:**

- 1) Requires the minimum hourly wage for an approved agricultural employee, as defined, and a corresponding employee, as defined, to be nineteen dollars and seventy-five cents (\$19.75) per hour.
- 2) Requires, commencing on January 1, 2027, and each January 1 thereafter, the wage specified in 1) above to be adjusted by an amount equal to the COLA for social security benefits for that year as published by the SSA based on changes in the United States Consumer Price Index, and be applied to the previous year's amount in the same manner as with social security adjustments.
- 3) Provides that "agricultural employer" has the same meaning as defined in subdivision (c) of Labor Code Section 1140.4. *(See existing law #5)*
- 4) Provides that "agriculture" has the same meaning as defined in subdivision (a) of Labor Code Section 1140.4. *(See existing law #4)*
- 5) Defines "approved agricultural employee" to mean an employee engaged in agriculture who is a resident outside of the state and is permitted to work in the state on a temporary or seasonal basis through an application process where the Labor and Workforce Development Agency or the Employment Development Department has approved, in part or in whole, an application or job order to hire agricultural workers from outside of the state on a temporary or seasonal basis.
- 6) Defines "corresponding employee" to mean an employee engaged in agriculture who is a resident of the state or who is not an approved agricultural employee, and who performs the same, or substantially similar work, as an approved agricultural employee employed by the same employer in the same county.
- 7) Defines "temporary or seasonal basis" to mean employment of a temporary nature where the employer's need to fill the position with a temporary worker shall, except in extraordinary circumstances, last no longer than one year.

EXISTING LAW:

- 1) Establishes the Division of Labor Standards Enforcement under the direction of the Labor Commissioner (LC) and authorizes the LC to investigate employee complaints and enforce labor laws, as specified. Labor Code, § 79 et seq.
- 2) Requires the LC and authorized deputies and representatives, upon the filing of a claim by an employee, as specified, to, among other things, take assignments of:
 - a) Wage claims and incidental expense accounts and advances.
 - b) Mechanics' and other liens of employees.
 - c) Claims based on "stop orders" for wages and on bonds for labor.
 - d) Claims for damages for misrepresentations of conditions of employment.
 - e) Claims for penalties for nonpayment of wages.
 - f) Claims for vacation, severance, or other supplemental compensation, as specified.
 - g) Claims for loss of wages as the result of discharge from employment for the garnishment of wages.
 - h) Claims for loss of wages as the result of demotion, suspension, or discharge from employment for lawful conduct occurring during nonworking hours away from the employer's premises. Labor Code, § 96.
- 3) Sets California's minimum wage at \$16.90 an hour for all employees and specifies that after January 1, 2023, the minimum wage rate will be adjusted annually for inflation based on the national consumer price index for urban wage earners and clerical workers (CPI-W). However, the minimum wage cannot be lowered, even if there is a negative CPI, and the highest increase allowed in any one year is 3.5 percent. Each minimum wage increase must be rounded to the nearest ten cents (\$0.10) and calculated (by the Director of Finance) on August 1st to take effect on January 1st of the following year. Labor Code §1182.12.
- 4) Defines, under the Agricultural Labor Relations Act (ALRA), "agriculture" to mean farming in all its branches, and, among other things, includes the cultivation and tillage of the soil, dairying, the production, cultivation, growing, and harvesting of any agricultural or horticultural commodities, as defined, the raising of livestock, bees, furbearing animals, or poultry, and any practices (including any forestry or lumbering operations) performed by a farmer or on a farm as an incident to or in conjunction with such farming operations, including preparation for market and delivery to storage or to market or to carriers for transportation to market. Labor Code §1140.4(a).
- 5) Requires, under the ALRA, the term "agricultural employer" to be liberally construed to include any person acting directly or indirectly in the interest of an employer in relation to an agricultural employee, any individual grower, corporate grower, cooperative grower, harvesting association, hiring association, land management group, any association of persons or cooperatives engaged in agriculture, and shall include any person who owns or leases or manages land used for agricultural purposes, but shall exclude any person supplying

agricultural workers to an employer, any farm labor contractor, as defined, and any person functioning in the capacity of a labor contractor. Labor Code §1140.4(c).

FISCAL EFFECT: Unknown

COMMENTS:

Farmworkers experience high rates of wage theft

As a workforce, farmworkers experience wage theft and other workplace abuses all too often. The majority of California's farmworkers are immigrants and undocumented, making them particularly vulnerable to labor violations. In February of this year, the state Labor Commissioner secured a \$6 million dollar settlement for more than 10,000 farmworkers against a harvesting company for a series of wage and hour violations.¹ Labor law violations included failure to pay overtime, minimum wage and compensate for travel time. The settlement took five years from the time of filing the lawsuit.

The Farmworker Health Study by the Community and Labor Center at UC Merced² surveyed over 1,200 farmworkers across the state from July 2021 to April 2022 and found:

- Almost one in five (19%) experienced, at one point or another, not being paid wages they earned by an employer.
- More than one-third (36%) of farmworkers said they would not be willing to file a report against their employer for workplace non-compliance.

A note about COLAs for Social Security benefits

AB 2646 requires that the annual increase to the hourly minimum wage for approved and corresponding agricultural employees be tied to the COLA for Social Security benefits.

According to the SSA, the COLA for the last five years was as follows:

- 2.8% in 2026
- 2.5% in 2025
- 3.2% in 2024
- 8.7% in 2023*
- 5.9% in 2022

*This COLA was somewhat of an anomaly as it was the largest in 40 years and was driven by high inflation.

There is precedent for establishing industry minimum wages

In 2023, the Legislature passed and the Governor signed AB 1228 (Holden) which established a \$20 dollar an hour minimum wage for half a million fast food restaurant employees, effective April 1, 2024. That same year, SB 525 (Durazo) also became law, establishing a phased-in

¹ DIR News Release, "California Labor Commissioner secures over \$6 million for farmworkers denied paid sick leave and other wage protections." February 4, 2026. Release No.: 2026:17.

² "Farmworker Health in California: Health in a time of contagion, drought, and climate change." UC Merced, Community and Labor Center. 2022.

minimum wage for some 400,000 health care workers to reach \$25 an hour by 2026-2028 depending on the type of health care facility. While there's been much debate about the economic impact of setting industry minimum wages, in the case of the fast food worker minimum wage, the number of fast food jobs in California grew consistently from the month the minimum wage became effective (April 2024) to July 2024.³

According to the author, "California's farm workers deserve a livable wage. Every day these workers face immigration threats, experience wage theft, unsafe working conditions including exposures to excessive heat or dangerous pesticides, workplace sexual harassment and lack of access to basic health care. California's farm workers have historically earned wages that place many near or below the poverty line. Often, farm work can be seasonal, which makes earnings even lower. AB 2646 safeguards farmworker wages by establishing a wage floor of \$19.75."

Committee Comments

This measure effectively defines an agricultural employee as "one engaged in agriculture..." (proposed Labor Code §1208(c)(3)) and utilizes the definition of "agriculture" from the Agricultural Labor Relations Act (Labor Code §1140.4(a)). Committee staff recommend the author consider adopting in the future the much broader definition used by the Industrial Wage Commission in Wage Order 14 for those "employed in an agricultural occupation." This broader definition was used in AB 1066 (Gonzalez) from 2016 which established phased-in overtime for agricultural workers.

Arguments in Support

The United Farm Workers, sponsor of the bill, states, "By establishing a state \$19.75 wage floor with annual cost-of-living adjustments tied to the Social Security Administration's Consumer Price Index, the bill safeguards vulnerable California farm workers against deepening wage depression in the middle of escalating prices for food and basic necessities.

Under Governor Newsom's administration, California has established a precedent of industry-specific wage standards that address the unique vulnerabilities of specific and marginalized workforces, including in fast-food and healthcare.

California's agricultural sector is a cornerstone of the state's economy, yet the workers who labor in our fields often face significant economic hardship. Farm workers have historically earned wages that place many below the poverty line. Farm work is often seasonal which makes annual earnings frequently lower.

Lower earnings make farm workers more vulnerable to the adverse effects of even minor economic fluctuations.

By setting a minimum hourly rate of \$19.75 for state "approved agricultural employees" and "corresponding employees" beginning January 1, 2027, with annual cost-of-living adjustments, AB 2646 takes a step toward fair compensation for workers that feed us all."

³ "After raising minimum wage, California has more fast food jobs than ever before," Office of Governor Newsom, August 20, 2024.

Arguments in Opposition

A coalition of agricultural associations, including the Western Growers, is opposed and states, “The proposed wage floor of \$19.75 beginning January 1, 2027, followed by automatic annual cost of living adjustments, would impose significant new costs on California farms that already operate on extremely thin margins. Nearly 98 percent of California farms are family-owned operations, many of which have been struggling to absorb rising labor, regulatory, water, and energy costs. Imposing an additional sector-specific wage mandate will make it even harder for these businesses to remain competitive with producers in other states and countries, maintain production, and preserve jobs in rural communities.

The domestic agricultural workforce has steadily declined, and growers increasingly rely on the H-2A program to maintain stable food production. The H-2A program is not designed or intended to replace the domestic workforce, it offers temporary assistance in filling labor gaps that exist at varying levels each year. Today, more than 350,000 H-2A workers are employed nationwide each year, reflecting the growing gap between available domestic labor and the workforce needed to harvest crops. Policies that make it more difficult or costly to use that program risk accelerating the loss of agricultural production in California.”

Related and Prior Legislation

AB 2227 (Connolly) of 2026 would add to the conditions that must be satisfied for a person to obtain from the LC a license to act as a farm labor contractor. The bill would also double the surety bond amounts required to be licensed as a farm labor contractor and tie the amounts to annual gross receipts. It would require, if a grower, a farm labor contractor, or person acting in the capacity of a farm labor contractor fails to appear or answer within the time allowed after a wage complaint is filed, the LC to issue an order, decision, or award in the amount stated in the notice. This bill is pending a hearing in this committee.

AB 1228 (Holden) Chapter 262, Statutes of 2023, required the hourly minimum wage for fast food restaurant employees to be \$20 per hour, effective April 1, 2024.

AB 1066 (Gonzales) Chapter 313, Statutes of 2016, removed the exemption for agricultural employees regarding hours, meal breaks, and other working conditions, including specified wage requirements, and would create a schedule that would phase in overtime requirements for agricultural workers, as defined, over the course of 4 years, from 2019 to 2022.

REGISTERED SUPPORT / OPPOSITION:

Support

United Farm Workers (Sponsor)

Opposition

Agricultural Council of California
American Pistachio Growers
Association of California Egg Farmers
CalChamber

California Apple Commission
California Association of Nurseries and Garden Centers
California Association of Winegrape Growers
California Blueberry Association
California Blueberry Commission
California Citrus Mutual
California Cotton Ginners and Growers Association
California Date Commission
California Farm Bureau
California Farm Labor Contractor Association
California Food Producers
California Fresh Fruit Association
California Grain and Feed Association
California Pear Growers Association
California Seed Association
California Strawberry Commission
California Walnut Commission
Grower-shipper Association of Central California
Olive Growers Council of California
Olive Oil Commission of California
Pacific Egg and Poultry Association
United Ag
Ventura County Agricultural Association
Western Growers Association
Western Tree Nut Association

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