

ASSEMBLY THIRD READING

AB 2646 (Krell)

As Amended March 25, 2026

Majority vote

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).

Major Provisions

- 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 in the committee policy analysis)*
- 4) Provides that "agriculture" has the same meaning as defined in subdivision (a) of Labor Code Section 1140.4. *(See existing law #4 in the committee policy analysis)*
- 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.

COMMENTS

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.

According to the Author

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."

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."

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.

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.

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."

FISCAL COMMENTS

According to the Assembly Appropriations Committee,

Ongoing costs in the low millions of dollars to the Labor Commissioner (LC), under the Department of Industrial Relations (DIR), to issue new minimum wage orders to impacted employers and enforce the farmworker minimum wage (Labor Enforcement and Compliance Fund). DIR anticipates a 50% increase in reports of labor law violations in the agricultural industry as a result of this bill, approximately 15% of which would trigger new investigations and wage claim cases, entailing an intake process, conference, and hearing.

VOTES

ASM LABOR AND EMPLOYMENT: 5-0-2

YES: Ortega, Elhawary, Kalra, Lee, Ward

ABS, ABST OR NV: Alanis, Chen

ASM APPROPRIATIONS: 11-4-0

YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Hoover, Dixon, Ta, Tangipa

UPDATED

VERSION: March 25, 2026

CONSULTANT: Megan Lane / L. & E. / (916) 319-2091

FN: 0002855