



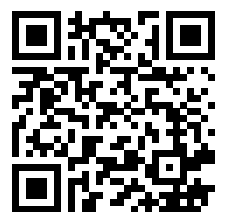
Overtime rules hurting Washington agriculture

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Introduction

A 2024 United States Department of Agriculture (USDA) report found Washington to be the worst state in the nation for farm profitability, showing a record annual loss of -\$396 million.¹ One possible factor is recent changes to the state's exemption for overtime pay for agricultural employees. This poor policy is just another nail in the coffin for a once thriving and globally recognized industry. This revenue loss is staggering and completely avoidable. It is only compounded by the repeated failure of Washington policymakers to remove or reduce overtime requirements for agricultural producers.

In response to the USDA's new data, the Washington State Department of Agriculture published a preliminary report detailing issues facing the agricultural industry, while providing no real solutions to any problems, and instead promising a more in-depth report that was supposed to be released months ago.² While the legislature and the WSDA drag their feet and offer no real help to Washington's farmers, a real solution is to repeal the reckless and ill-thought-out overtime requirement for agricultural employees.



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¹ "Farm Income and Wealth Statistics – Returns to Operators" USDA, Feb 5, 2026, available at https://data.ers.usda.gov/reports.aspx?ID=4032#P157a969a0e1e4672aa9fa6aebb813739_2_96iTOR0x47

² "Washington State Agricultural Viability" Washington State Department of Agriculture, Available at <https://agr.wa.gov/departments/directors-office/washington-state-agricultural-viability>

KEY INFORMATION
COLUMN

OVERTIME PHASE-IN

2022

55 hours

2023

48 hours

2024

40 hours

Weekly threshold before
overtime pay. Source:
Washington L&I (note 4).

History of overtime treatment for agriculture

Agricultural workers have been exempted from federal overtime requirements since the passing of the Fair Labor Standards Act in 1938.³ This important federal exemption exists because farm labor is seasonal and the marginal profit from an hour of a farm worker's labor is small. Despite these simple truths, Washington's legislature passed a bill in 2021 requiring a three-year phase-in of agricultural overtime pay following policies in California and Colorado. The new law requires workers to be paid overtime on hours worked past 55 hours a week in 2022, 48 hours a week in 2023, and finally 40 hours a week in 2024.⁴

Since then, producers have seen a sharp increase in their labor costs for both hired and contract labor. In 2021, the year before the enactment of the act, Washington's entire agricultural industry spent \$89 million on contract labor. By 2024, only three years later, this cost had inflated by over 1100% to an unsustainable \$1 billion for contracted employees.⁵ For hired employees, which have historically been extremely important to Washington's specialty agricultural sectors, the most notable of which is tree fruit, the cost increased from just below \$2.2 billion to almost \$3.5 billion in the same time period, with a 2023 peak of \$4.42 billion.⁶

Depressive Effect on Farm Workers' Wages

In 2023, Enrique Gasteluem, a first-generation Mexican American and child of farmworkers from Sunnyside, Washington, testified before the legislature on the importance of seasonal exemptions. Enrique is now the CEO of Worker and Farmer Labor Association (WAFLA), an organization that represents 18,000 farm workers in Washington and over 300 family farms. He told the Washington State Senate Labor and Commerce Committee concerning Senate Bill 5476: "[Farmworkers] are earning less because of this overtime law" and "we are asking for this bill to be passed so that we can be given some flexibility and help our farmworkers continue earning the money they need."⁷ The legislature ignored his plea for relief.

Enrique's testimony shared a common sentiment, with farm workers reporting that hours are being cut and hourly wages lowered to offset the increased costs of overtime mandates. Last year, farm workers from across Washington gathered at the state capital to rally in support of both the House and Senate versions of the bill to allow for seasonal overtime exemptions, with several farm workers quoted detailing how their hours have been cut. They are forced to look for more work elsewhere because farms cannot afford to pay overtime and remain economically viable.

³ "Lost In a Loophole: The Fair Labor Standards Act's Exemption of Agricultural Workers From Overtime Compensation Protection" Feb 18, 2006, Autumn L. Canny for the Drake Journal of Agricultural Law, available at <https://aglawjournal.wp.drake.edu/wp-content/uploads/sites/66/2016/09/agVol10No2-Canny.pdf>

⁴ "Agricultural Overtime FAQ" Washington State Department of Labor & Industries, available at <https://lni.wa.gov/workers-rights/agriculture-policies/agricultural-overtime-faq>

⁵ "Farm Income and Wealth Statistics - Returns to Operators" USDA, Feb 5, 2026, Available at https://data.ers.usda.gov/reports.aspx?ID=4032#P157a969a0e1e4672aa9fa6aebb813739_2_96iT0R0x47

⁶ IBID.

⁷ Washington State Senate Labor and Commerce Committee Public Hearing on SB 5476, Feb 9, 2023 available at <https://tvw.org/video/senate-labor-commerce-2023021141/?eventID=2023021141&startStreamAt=4573&stopStreamAt=64800>

The paper argues that cutting available hours can reduce farmworkers' take-home pay.

Speaking to Capital Press about the rally, Maia Espinoza, executive director for The Center for Latino Leadership, said that “It boils down to a financial issue ... They’re not making as much money as they used to.”⁸ Her comments showcase that the well-intentioned overtime laws do not have the purported effects and that they can actually lower take-home pay for farmworkers. These workers historically have chosen the seasonality to their jobs, working long and hard hours during some parts of the year to make enough money to take off months at a time during the winter, often visiting family and friends who work on farms throughout the country or going to the places that they were raised to live, often Texas or Mexico.

These overtime laws assume there will be work to do during the winter. But this perspective fails to account for the months of unemployment during colder seasons where there is little or no work to be had in agriculture. Farmworkers benefit from working long hours during the growing and harvest seasons to afford extended periods of time off without undue financial burden.

Unique Effects on Washington’s Agriculture

Washington’s agricultural sector is dominated by specialty crops, with the state being the number one producer of apples, blueberries, hops, onions, spearmint oil, and sweet cherries, as well as the number two producer of potatoes, grapes, apricots, raspberries, and pears.⁹ As a result, Washington has a much higher per-acre need for labor than other states with a primarily row-crop-focused ag economy.¹⁰ At a time when specialty crop growers have been suffering historic losses, while receiving 1/11th of what row-crop growers received in 2026,¹¹ the Washington legislature failing once again to provide relief to producers will only result in statewide farm closures rising from the current historic high of over two a day.¹²

USDA data shows that Washington’s agricultural sector started suffering earlier than other states, with greater revenue losses and higher cost increases.¹³ Lawmakers will have an opportunity during the 2027 Legislative Session to correct this and show that they still support the dominant industry in the often forgotten eastern side of the state by easing the tax and regulatory burden on farmers.

⁸ “Rally hits at Washington overtime law” Don Jenkins for Capital Press, Feb 5, 2025, available at <https://capitalpress.com/2025/02/05/rally-hits-at-washington-overtime-law/>

⁹ “Agriculture: A Cornerstone of Washington’s Economy” Washington State Department of Agriculture, available at <https://agr.wa.gov/washington-agriculture>

¹⁰ “Specialty Crop Farms Have Highest Labor Cost as Portion of Total Cash Expenses” Dipak Subedi and Anil K. Giri at the USDA, October 15, 2024, available at <https://www.ers.usda.gov/data-products/charts-of-note/110172>

¹¹ “Specialty Crops Need Economic Aid” Daniel Munch at the Farm Bureau, January 6, 2026 available at <https://www.fb.org/intel/markets/specialty-crops-need-economic-aid-case-studies-almonds-apples-blueberries-lettuce-potatoes-and-strawberries>

¹² “Washington Lost 3,700 Farms In 5 Years: Here’s How to Slow the Trend” John DeVaney at The Seattle Times, January 18th, 2026, available at <https://www.seattletimes.com/opinion/washington-lost-3700-farms-in-5-years-heres-how-to-slow-the-trend/>

¹³ “Farm Income and Wealth Statistics – Returns to Operators” USDA, Feb 5, 2026, Available at https://data.ers.usda.gov/reports.aspx?ID=4032#P157a969a0e1e4672aa9fa6aebb813739_2_96iTOR0x47

The author compares agricultural labor policy in Washington, Oregon, and Idaho.

How Neighboring States Compare on Policy

Washington's two neighbors offer meaningful insights into the non-partisan nature of agricultural issues. Idaho and Oregon handle the issue completely differently, with Oregon also having Agricultural Overtime laws in place and slightly lower minimum wages for rural areas to account for cost-of-living differences and the unique needs of those living in an agricultural community.¹⁴ Despite these considerations, Oregon farmers still face mounting pressure from rapidly rising costs related to labor, with 2027 being the first year that the hourly requirement for agricultural workers will drop to meet Washington's 40-hour requirement, an avoidable and unnecessary burden on Oregon's farmers.¹⁵ Idaho, on the other hand, approaches the issue as its reputation would have you believe, enforcing no minimum wage or overtime requirements beyond those that are mandated by federal law.



Source: Oregon Bureau of Labor and Industries (note 14).

Both approaches, from opposite ends of the political spectrum, are effective and economically viable because the people who enacted these laws and regulations did not assume they knew better or were more knowledgeable than the people they claim to serve. Washington's method, however, is calculating a statewide minimum wage based on the cost of living in extremely high-cost areas. This disregards the impact that a high wage imposes on citizens living in rural, agriculturally based, and low cost-of-living areas.

¹⁴ "Oregon Minimum Wage" State of Oregon Bureau of Labor and Industries, available at <https://www.oregon.gov/boli/workers/pages/minimum-wage.aspx>

¹⁵ "Did we do this right? Fight brewing over divisive Oregon farmworker overtime protections" Yesenia Amaro at Oregon Live, August 12, 2026, available at <https://www.oregonlive.com/politics/2026/08/did-we-do-this-right-fight-brewing-over-divisive-oregon-farmworker-overtime-protections.html>

Higher agricultural revenue does not necessarily translate into higher farm profits.

How Neighboring States Compare on Outcomes

Washington is often compared to its neighbor and near political opposite, Idaho. Like Washington, Idaho's agricultural sector is dominated by specialty crops such as potatoes, sugar beets, canola, and legumes, and it also has large swaths of the state covered by cattle ranches and dryland wheat production. This offers a unique case study in agricultural policy and whether Washington's regulatory, restrictive approach actually benefits farmers, farm workers, and farm communities.

As Washington becomes one of the fastest-growing states in the nation economically,¹⁶ people are left to wonder why Idaho's population growth more than doubles theirs.¹⁷ In the same vein, people often look at the total revenue of Washington's agricultural industry, which grew almost 20% between fiscal year 2021 and 2024, rapidly outpacing inflation.¹⁸ Yet, profits dropped to a national and all-time low of -\$396 million, crippling producers in the process.

In the same timeframe, Idaho, a state known throughout the country for its deregulation priorities, founded on the principles of the free market and personal liberty, has seen its revenue not only increase by over 33%, but has also seen a similar growth in profits and economic viability of roughly 23%.

This growth and stability come at a time when most states are struggling, with agricultural sectors bleeding cash, cutting acres, and losing family farms; Idaho continues to grow. A leading example of how common-sense free-market policies benefit not only the people who own the farms, but also the teachers, doctors, nurses, construction workers, and families who rely on farm communities to give them a home in the Gem State.

Oregon, with its picturesque Willamette Valley and wheat-covered high desert, also offers an extremely fitting parallel to Washington. Hops, wine grapes, grass seed, potatoes, and onions offer excellent comparisons to Washington's diverse specialty crop industry. Despite the similarities in geography, climate, precipitation levels, and location, Oregon's agricultural industry is somehow more viable, more competitive, and healthier than Washington's while growing similar crops, with the same resources, in the same region of the country, and under the same political leadership.

Over the same time span that Washington fell from being extremely profitable to being one of only two states in the nation to lose money, Oregon also saw increases in labor costs. However, its cost increase was moderate and manageable compared to Washington's drastic increases. Hired labor rose only 22%, compared with Washington's increase of over 50%. Similarly, contract labor rose a staggering 72%, an increase that in any other scenario might be catastrophic but is instead acceptable when compared to Washington's record-breaking increase of over 1100% over the same three-year period. Oregon's comparative success can be attributed to its system of varying minimum wages that accounts for cost-of-living differences throughout the state.

¹⁶ "GDP by State" United States Bureau of Economic Analysis, <https://www.bea.gov/data/gdp/gdp-state>

¹⁷ "Washington's Population Continues to Grow" Washington State Office of Financial Management, June 30, 2026, available at <https://ofm.wa.gov/news-publications/washingtons-population-continues-to-grow/>

¹⁸ "Farm Income and Wealth Statistics - Returns to Operators" USDA, Feb 5, 2026, Available at https://data.ers.usda.gov/reports.aspx?ID=4032#P157a969a0e1e4672aa9fa6aebb813739_2_96iTOR0x47

The paper proposes seasonal flexibility for periods of peak labor demand.

Both states represent different, but equally effective, methods of meeting the needs of the agricultural industry. Oregon and Idaho, often viewed as one of the most conservative and one of the most progressive in the United States, can effectively meet the needs of their rural residents, who produce some of the best potatoes, cheese, wine, wheat, and hops in the world. They show that the issues facing farmers and farm workers can be addressed in many ways to achieve the same beneficial outcome, and that these are not ideological solutions, but are instead economic issues, and proposed solutions for these problems ought to be decided economically with the support and assistance of the communities impacted by these decisions.

Where Does Washington Go From Here

Washington's agricultural industry needs reform. Though some advocate for completely scrapping the overtime requirement because of the seasonality of agricultural work, a more moderate, realistic, and non-partisan approach is possible. Last session, House Bill 1597 was proposed. This proposed bill, sponsored by both the Democratic Chair and the Republican Ranking Minority Member of the House Ag and Natural Resources Committee, would offer a bipartisan solution to the problem by allowing farm owners to designate 12 weeks during the year where they have "special circumstances... for labor demand."¹⁹

While Idahoan producers find themselves in a state that caters to them, and Oregon's growers struggle alongside Washington's, Washington could find a balanced position that benefits both farmers and farmworkers. By compromising with the agricultural industry, Washingtonians can enjoy apples, cherries, potatoes, and berries for decades to come, without the looming threat of costs that increase by 11 times in three years or record-high farm closures that threaten food availability and security.

Agriculture is important to Washingtonians. People enjoy seeing bright red Washington apples, Rainier Cherries, and Walla Walla sweet onions line the produce section of their grocery stores; these products are regularly sought out around the world for their quality, reliability, and flavor. Without this vital lifeline for Washington's agricultural industry, it's unclear how long people will be able to regularly find these things, and whether or not they will be affordable to the average family.

By helping the farmers, Washington's legislature could show that it can still understand the needs of agriculture across the state. There is no reason Washington shouldn't be an economic powerhouse. The state is blessed with two navigable rivers stretching deep into the state's fertile heart, countless dams providing easily accessible, cheap hydroelectricity, large natural harbors in Tacoma, and the protection and stability offered by the Puget Sound.

Washington's agricultural industry should not be struggling. Instead, it should be thriving with easy access to global and domestic markets, the Bureau of Reclamation's largest water project, a network of barges that can cheaply send commodities from Lewiston, Idaho to Vancouver, Washington, and unique beneficial microclimates. At the same time, Oregon and Idaho stand head and shoulders above it.

¹⁹ "HB 1597 – 2025-26" the Washington State Legislature, available at <https://app.leg.wa.gov/bills/summary?BillNumber=1597&Year=2025>

*Harvest work is often
time-sensitive and
cannot be postponed.*

**Nothing in this publication
shall be construed as an
attempt to aid or hinder the
passage of any legislation.**

Industry Opinions

These reform ideas are neither new nor unprecedented. In 2023, the Washington State Standard reported that “Jon DeVaney, president of the Washington State Tree Fruit Association ... said the law has brought many added costs to the state’s second-largest industry.”²⁰

DeVaney also told Shift Washington:

“The unfortunate financial reality is that instead of resulting in increased earnings for farmworkers, farmers must stop work when overtime would kick-in. Since most agricultural tasks are of the ‘now or never’ variety and can’t be postponed until the following workweek, this means that many farmworkers are not able to work as many hours or earn as much as they did in previous seasons. It also means that some tasks simply can’t get done, and some food spoils before it can be harvested.”²¹

These quotes from the leader of the Tree Fruit Growers Association for Washington’s largest commodities from years past show that this issue has been ongoing and that the law’s inevitable effects were known from the beginning. If Washington spends another legislative session ignoring years of concerns from industry representatives and the financial realities shown by the USDA’s own data, countless more Washington farms will be forced to end operations under mounting financial pressure.

In a state that lost two farms a day between 2017 and 2022, during a time period of record-high profits and economic stability, how many more farms have been lost in the past three years? The 2024 data that placed Washington as the worst state for farm economic viability was gathered before input prices rose sharply and global markets stagnated and before several major agricultural input producers began restricting exports.

Conclusion

Washington’s agriculture was once thriving and seen as a model that other states could base their operations on. Now it is seen as something to be pitied, avoided, and forgotten. Only by lowering labor costs, chiefly by removing the overtime pay requirement, can Washington’s agricultural industry thrive and compete in the global markets it relies on for its prosperity. By avoiding this for years while the industry crumbles and fails, the legislature has shown indifference to one of the state’s most important industries.

Agriculture fuels the need for tens of thousands of jobs in urban districts related to export shipping and transportation. If policymakers continue to abandon the industry’s needs without regard for the effect on their constituencies, the result will be more job losses, home losses, and the loss of community within their districts.

²⁰ “Farmers and Growers Seek Leeway Under New Agricultural Overtime Law” Jerry Cornfield at the Washington State Standard, June 30, 2023, available at <https://washingtonstatestandard.com/2023/11/30/farmers-and-growers-seek-leeway-under-new-agriculture-overtime-law/>

²¹ “Tree Fruit Association’s Jon DeVaney asserts that the state’s overtime wage laws have cost farmers and farmworkers money, and caused fruit to spoil before it can be harvested.” Shift WA, April 14, 2023, available at <https://shiftwa.org/tree-fruit-associations-jon-devaney-asserts-th-at-the-states-overtime-wage-laws-have-cost-farmers-and-farmworkers-money-and-caused-fruit-to-spoil-before-it-can-be-harvested/>



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ABOUT THE AUTHOR

Jared Dormaier is currently a Junior at Washington State University studying Agricultural Economics, with a focus on Agricultural Policy. He grew up as a sixth-generation Washington Farmer raising cattle for direct-to-consumer beef on his family farm. When he was 16, the farm was sold, which inspired him to pursue a career in agricultural policy.



After working this past summer as a Government Affairs Intern for the Washington State Potato Commission, Jared is eager to continue in the field, advancing common-sense policy changes that benefit Washington and American agricultural producers and ensure the economic viability and continued success of the nation's most vital industry.



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