

Farmer pays for meals provided to non-employee workers to keep them at the work site? Is this deductible and at 50%?

For a farmer who provides meals to **non-employee workers** (for example, independent contractors, seasonal custom workers, or other nonemployees) to keep them at the worksite, the treatment is generally different from meals furnished to employees.

General Rule

If the meals are an **ordinary and necessary farming business expense** under IRC §162 and are provided for a bona fide business reason (such as avoiding lost work time during planting or harvest), the cost is generally deductible.

50% Limitation

The key question is whether the expense is a **food and beverage expense subject to IRC §274(n)**. In most cases, meals provided to nonemployees are subject to the **50% deduction limitation**. The expense must:

- Not be lavish or extravagant.
- Have a business purpose.
- Be incurred while carrying on the trade or business.

Can It Be 100% Deductible?

Possibly, if the farmer is effectively purchasing meals as part of the compensation arrangement with the workers and reporting them appropriately, but that is a less common fact pattern. For most farm operations that simply buy lunch or provide sandwiches and drinks to nonemployee field workers, I would generally expect the deduction to be limited to **50%**.

Important Distinction From Employees

Prior rules allowing deductions for meals furnished to employees for the employer's convenience under IRC §119 do **not** generally apply to nonemployees. Moreover, beginning in 2026, employer-convenience meals for employees became fully nondeductible under IRC §274(o), but that rule is aimed at employee meals and employer-operated eating facilities.

Practical Example

A farmer buys lunch for a crew of independent-contract harvest workers so they remain in the field during a tight harvest window.

- Cost of meals: \$1,000

- Business purpose established
- Meals are not treated as compensation

Deduction: \$500 (50% of cost).

My view is that for a typical farming operation providing meals to nonemployee workers at the worksite, **50% deductibility is the safest and most supportable treatment** unless the meals are being treated as compensation or another specific exception applies.