

Rural Migration News

Blog 245

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H-2A: Growth and FLCs from 2010-19

The number of farm jobs certified by DOL to be filled with H-2A workers tripled between FY10 and FY19, from 79,000 to 258,000. The FLC share of job certifications also tripled from 15 percent to 42 percent. H-2A jobs are concentrated in fruits and vegetables, each accounts for a third of H-2A job certifications.

Analysis of the job offers submitted by employers to the Office of

Foreign Labor Certification (OFLC) identified the major crops or commodities employing H-2A workers, the type of employer, and the state where the job was located. H-2A workers are concentrated in fruits and vegetables, employed by farm operators and farm labor contractors, and mostly in southeastern states such as Florida, Georgia, and North Carolina.

Commodities

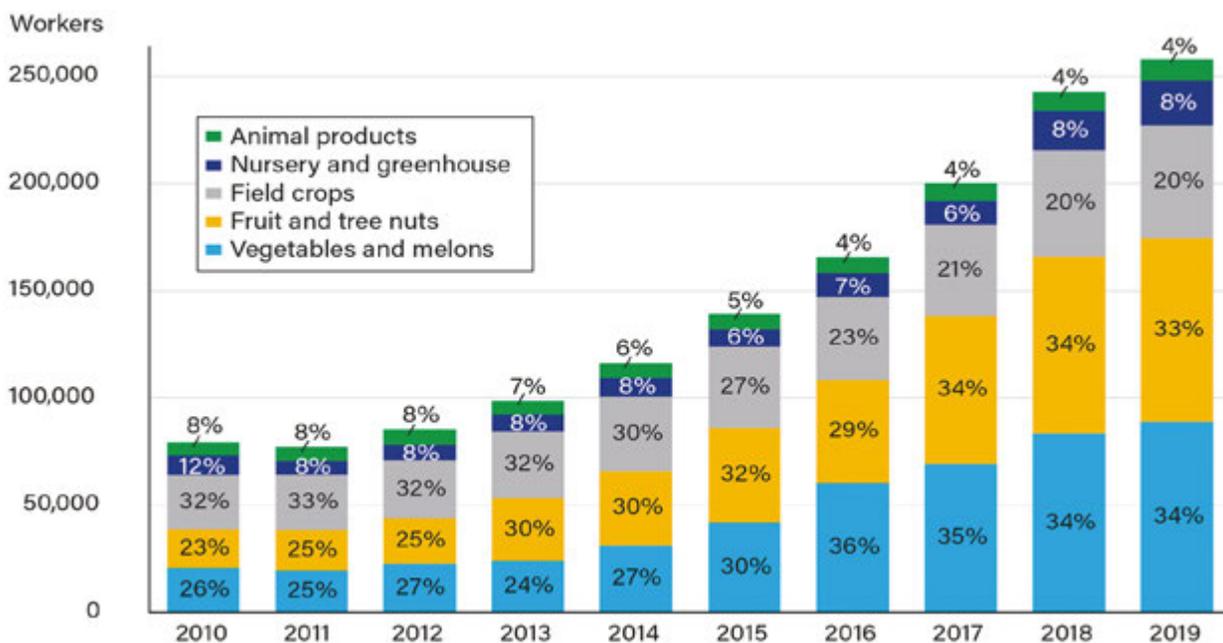
The number of jobs certified to be filled in fruits and nuts rose more than four-fold, from 18,000 to almost 86,000 between FY10 and FY19. The share of fruit jobs certified to FLCs tripled from 16 percent to 45 percent.

Apples accounted for 18 percent of the fruit jobs certified in FY19, followed by blueberries, 17 percent, strawberries, 15 percent, and citrus, 12 percent. These four commodities accounted for 62 percent of fruit jobs certified in FY19.

The number of jobs certified to be filled in vegetables and melons rose more than four-fold, from 20,000 to almost 90,000 between FY10 and FY19. The share of vegetable jobs certified to FLCs doubled from less than a quarter to more than half.

Melons accounted for the most vegetable jobs certified in FY19, 17 percent, followed by tomatoes, nine percent, lettuce, nine percent, and sweet potatoes, eight percent. These four commodities accounted

H-2A Job Certifications Tripled Between FY10 and FY19, When Fruits and Vegetables Each Accounted for 1/3 of Certifications



for 43 percent of all vegetable jobs certified in FY19.

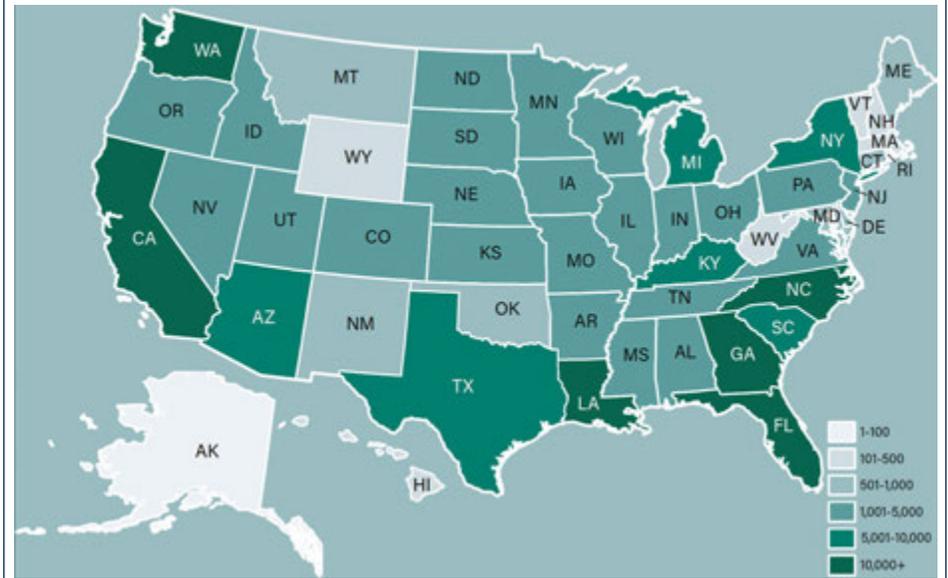
The number of jobs certified in field crops, including seed corn detasseling and tobacco curing, doubled from 25,000 to 52,000 between FY10 and FY19, so that field crops accounted for 20 percent of all H-2A jobs certified in FY19. The share of field crop jobs certified to FLCs more than tripled from seven to 26 percent, and employer associations such as the North Carolina Growers Association accounted for 20 percent of H-2A field crop jobs certified.

The distribution of certified field crop jobs across states differs from the distribution of certified fruit and vegetable jobs. North Carolina, Kentucky, Florida, and Louisiana had the most jobs certified in field crops, led by tobacco, 38 percent of field crop jobs certified, corn, 19 percent, and sugar cane, 14 percent.

The number of H-2A jobs certified in the nursery and greenhouse sector more than doubled from less than 10,000 to more than 20,000. The nursery and greenhouse sector stands out for having three-fourths of H-2A workers employed directly by employers; FLCs accounted for only 15 percent of nursery and greenhouse jobs certified. Most jobs are for nursery and greenhouse workers, 58 percent, followed by 17 percent in Christmas trees.

The number of H-2A jobs certified in the livestock sector rose by two-thirds between FY10 and FY19, from 6,000 to almost 10,000, with 85 percent of H-2A workers employed directly by employers. Open range livestock accounted for 47 percent of livestock H-2A jobs, often sheepherders tending flocks that graze on public land in the mountain and western states, followed by bee-keeping with 20 percent of jobs

H-2A Workers are Concentrated in the Southeastern States



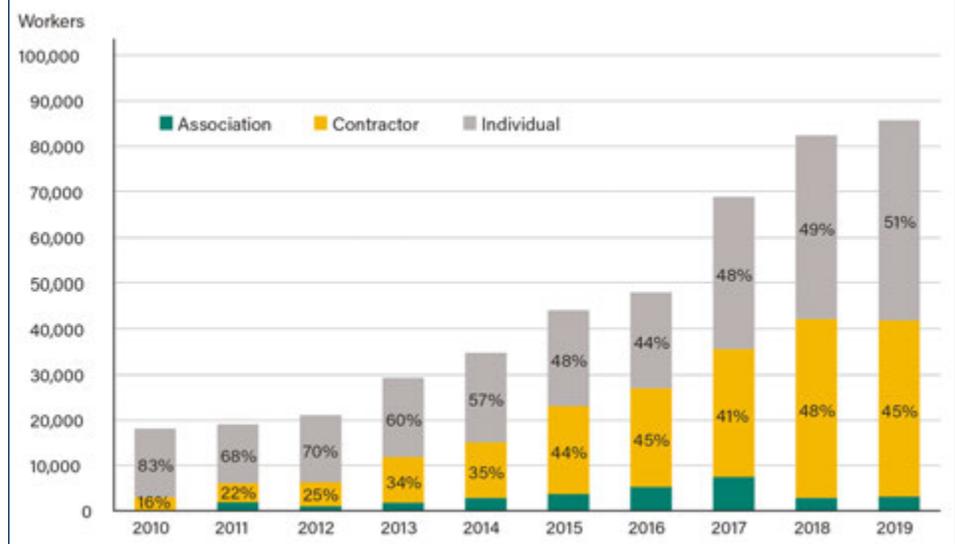
and crawfish farming (mostly Louisiana) with 16 percent.

Size and Duration

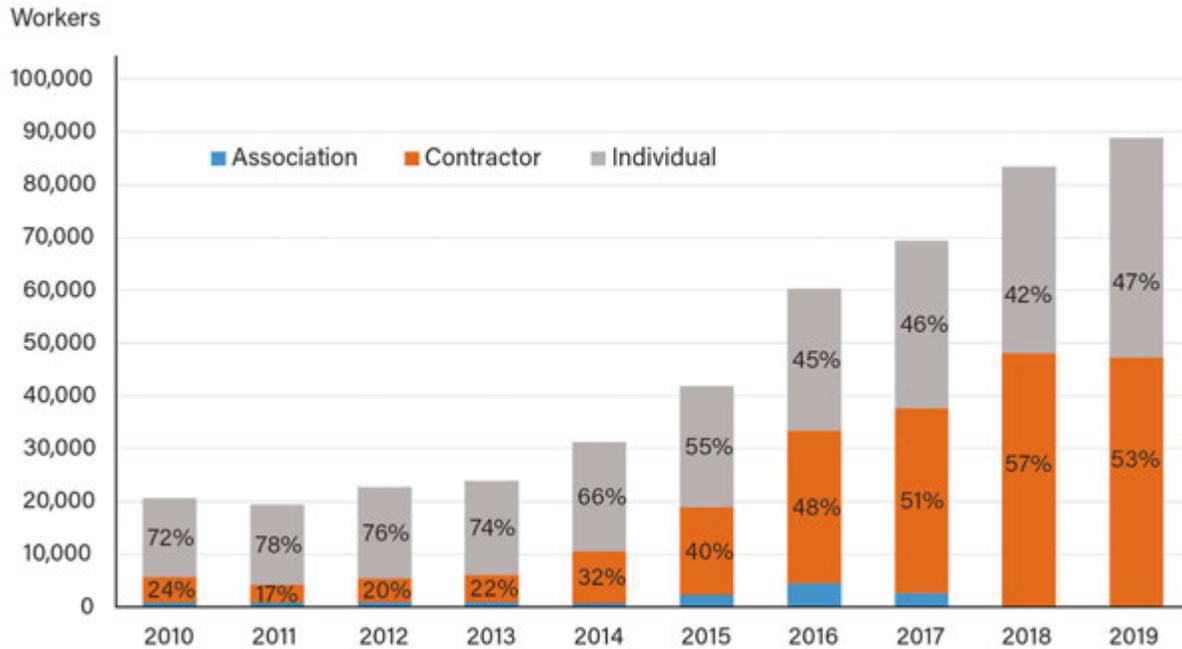
Farm employers requested certification for an average 20 jobs in FY19, with a range from an average four jobs in livestock to an average 45 jobs in fruits and vegetables. The average length of H-2A contracts decreased over the past decade, from almost seven months to five months, with the largest drops in greenhouse and nursery

and livestock. There are several reasons, including DOL more strictly enforcing the 10-month maximum duration of jobs, employers improving their ability to determine their period of need, and reports of more H-2A workers filling two jobs while in the US, which appears in DOL data as two shorter contracts rather than one longer contract. Average contracts in the greenhouse and nursery and livestock sectors remained the longest in FY19 at six and eight months.

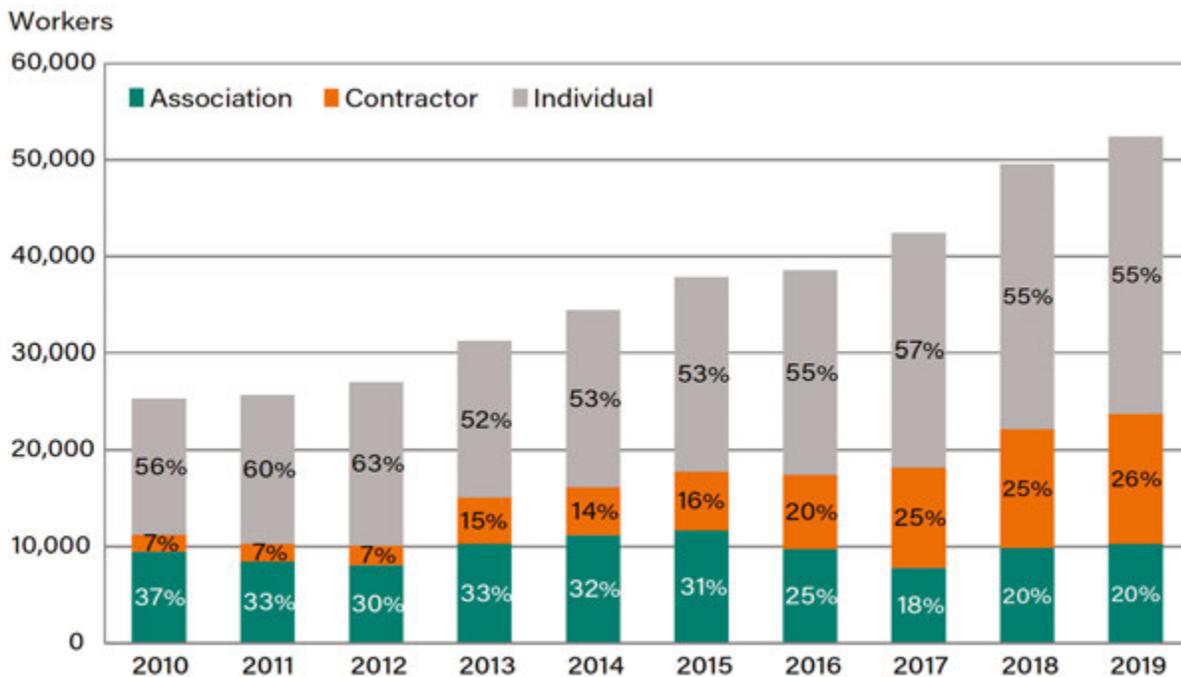
Fruit Jobs Certified Quadrupled Between FY10 and FY19; the FLC Share of Fruit Jobs Tripled to 45%



Vegetable Jobs Rose by 4.5x Between FY10 and FY19; the FLC Share of Vegetable Jobs Doubled



Field Crop Jobs Doubled Between FY10 and FY19; the FLC Share of Field Crop Jobs Tripled



Employers

Field crops account for over 60 percent of the employers who request certification to employ H-2A workers, reflecting the fact that many tobacco farms employ only a few workers. Livestock employers account for another 15 percent, so that three-fourths of H-2A employ-

ers are in field crops and livestock, even though these sectors account for only a quarter of H-2A jobs certified.

By contrast, most of the FLCs that requested certification to employ H-2A workers were in fruits, 39 percent, vegetables, 27 percent, and field crops, 23 percent.

Wages

Employers must offer and pay the higher of several wages to H-2A workers and US workers in corresponding employment, including the federal or state minimum wage, the prevailing wage, or the AEWR, which is derived from the average hourly earnings of field and

livestock workers who are hired directly by farm employers. AEWRs vary by state and commodity. The spread between the highest and lowest AEWR between states was about \$2.25 per hour in 2010 (\$2.69 in 2019 dollars), and widened to \$3.75 an hour by 2019, as AEWRs in the Pacific region of CA, OR, and WA surpassed AEWRs in the midwest. AEWRs have been lowest in the southeastern states including Florida.

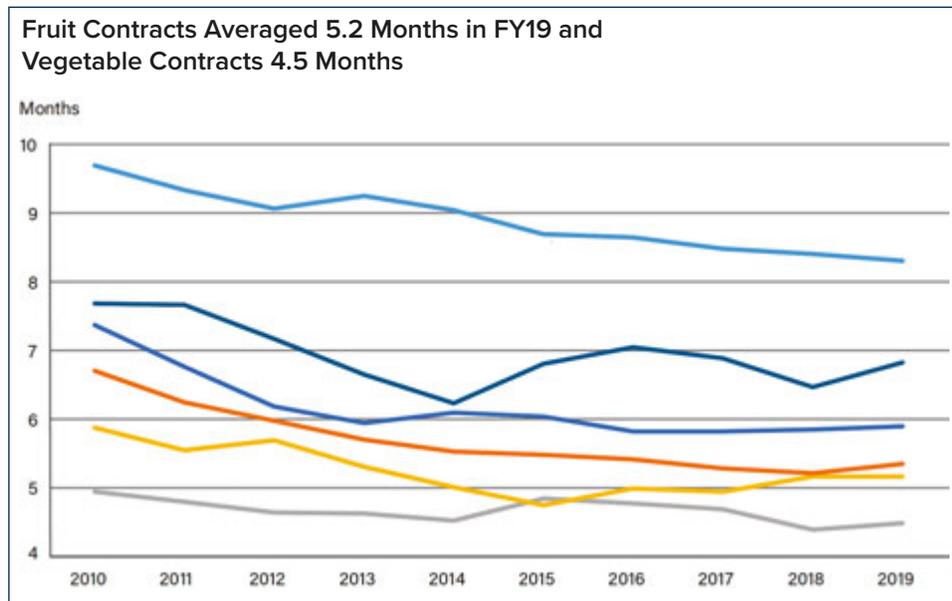
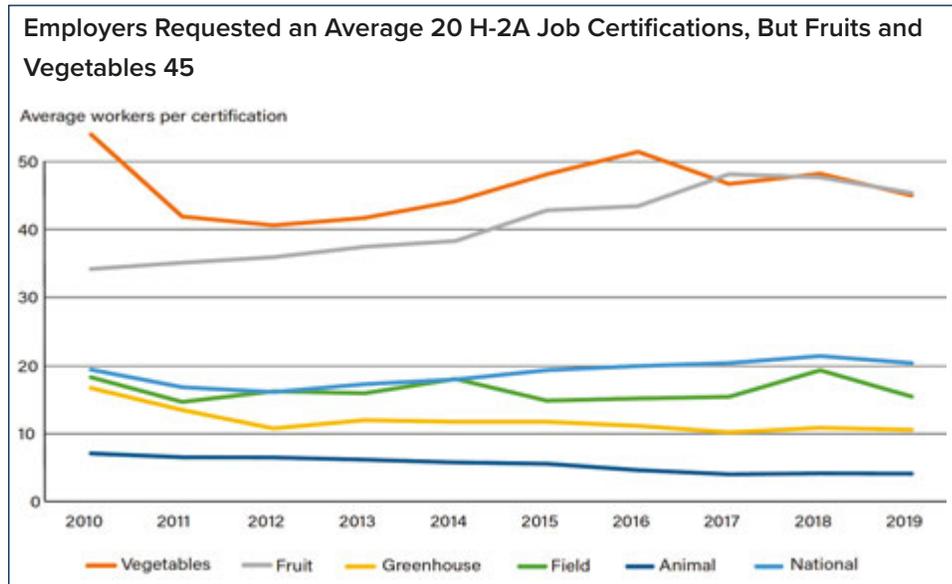
Most fruit jobs that are filled by H-2A workers are in CA and WA, where AEWRs are higher, while many vegetable jobs that are filled by H-2A workers are in the southeastern states where AEWRs are lower.

Research Agenda

The H-2A program is expanding rapidly. DOL is likely to certify over 300,000 jobs to be filled with H-2A workers in FY21, so that almost 15 percent of the year-round equivalent jobs in US crop agriculture are filled by H-2A workers. The share of H-2A workers is higher in particular commodities and states, so that half or more of US apples and oranges are picked by H-2A workers.

H-2A expansion raises several questions. First, are there economies of scale in recruiting, housing and employing H-2A workers? There is no clear trend in the number of jobs per certification, which is higher in fruits and vegetables than in livestock and greenhouses. Shorter average contracts may reflect both H-2A employers planning their need for H-2A workers more precisely and more H-2A workers holding two or more jobs and thus having two or more contracts while they are in the US.

Associations and FLCs may develop business models that move workers from one contract to another so that



they can remain in the US the maximum 10 months usually permitted.

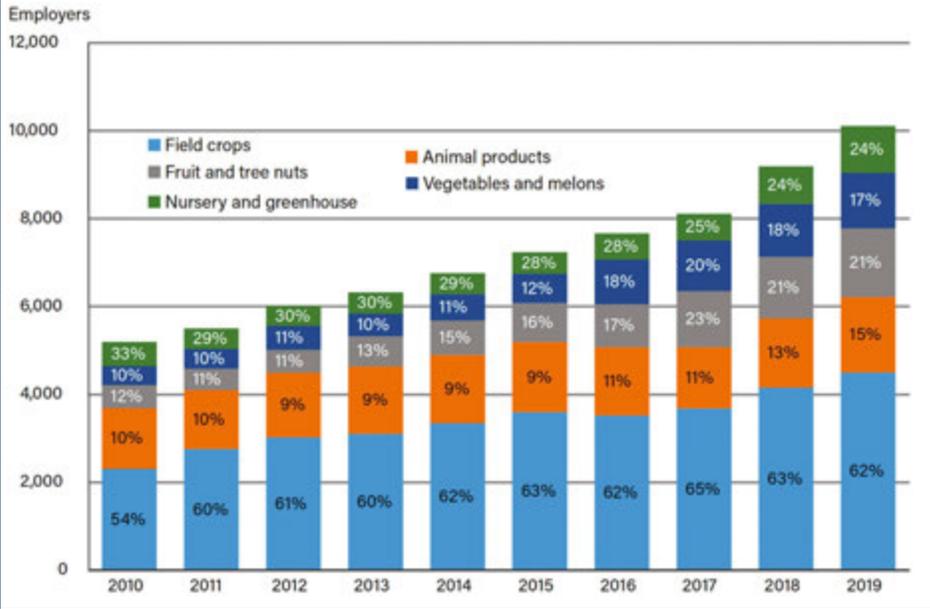
Second, many employers say that over 80 percent of their H-2A workers are returnees. How does the productivity of H-2A workers change with experience, that is, how many months or years are required before H-2A workers are as productive as US workers? Does the average productivity of H-2A workers eventually surpass that of the average productivity of US workers?

Do H-2A employers make labor management changes, such as utilizing H-2A supervisors to manage

H-2A workers, so that H-2A crews arrive in the US as a team? What skills do H-2A workers acquire while they are employed in the US, and how do they use these skills in their countries of origin?

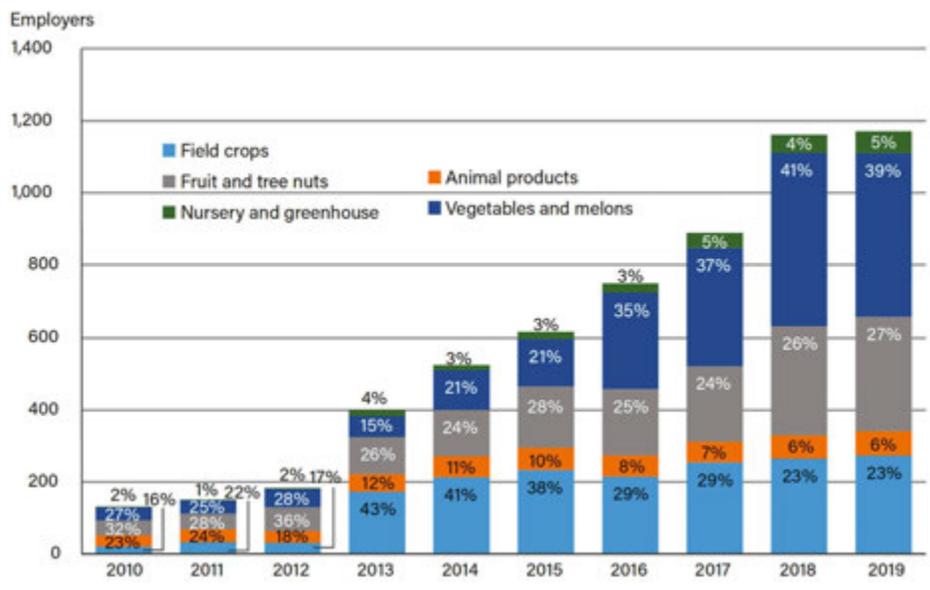
Third, what are average employer costs for recruitment, transportation, and housing for H-2A workers, and what are employer savings from the exemption of H-2A wages from social security and other taxes? H-2A workers provide labor insurance. How much do employers value the fact that H-2A workers cannot change US employers?

Field Crop and Livestock Employers Accounted for ¾ of the 10,000 H-2A Employers and ¼ of H-2A Jobs

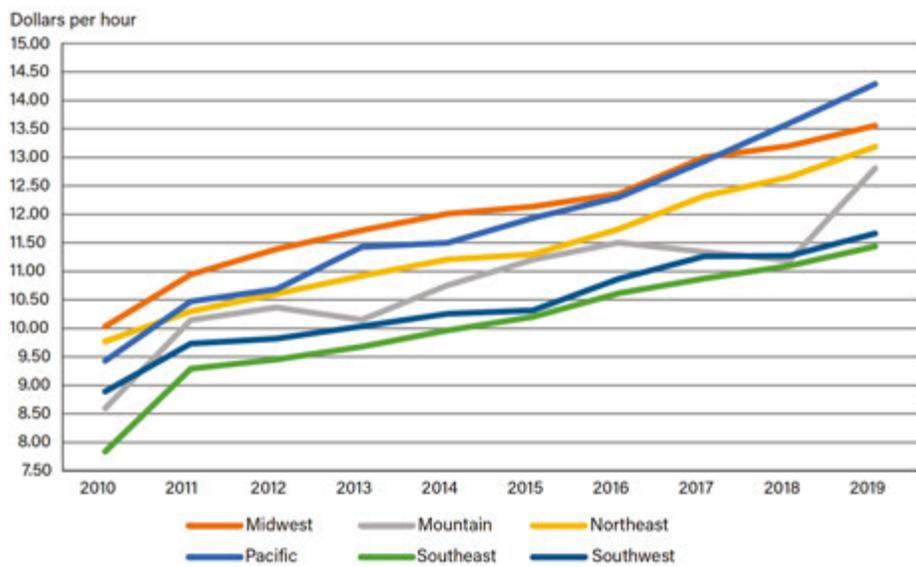


The National Agricultural Workers Survey (NAWS) interviews about 2,000 non-H-2A workers employed on US crop farms each year. If the NAWS were to include H-2A workers, employers may be able to determine which workers are most productive and successful as the program expands beyond Mexico, Jamaica, and Guatemala. MSFW service providers and NGOs are interested in H-2A worker characteristics and needs, including how H-2A workers can use skills acquired in the US to promote development in their areas of origin.

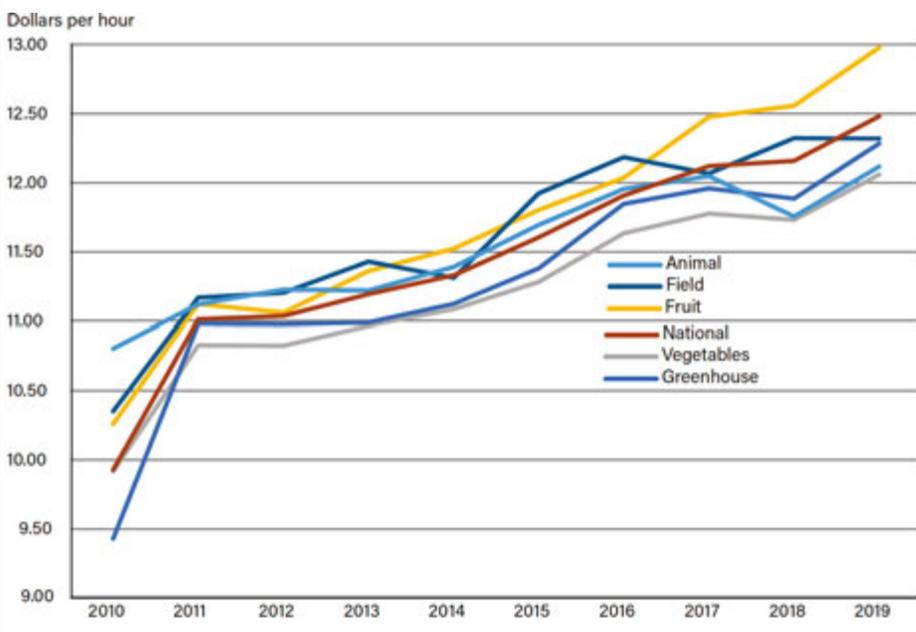
90% of FLCs Were in Fruit, Vegetables, and Field Crops



AEWRs are Highest in the Pacific and Lowest in the Southeast



AEWRs Vary by State; Different Commodity Mixes Help to Explain Differences in AEWRs



References

Castillo, Marcelo, Skyler Simnitt, Gregory Astill, and Travis Minor. 2021. Examining the Growth in Seasonal Agricultural H-2A Labor, USDA ERS EIB 226. <https://www.ers.usda.gov/publications/pub-details/?pubid=102014>

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