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UNIVERSITY *of* FLORIDA

FOOD & RESOURCE
ECONOMICS
DEPARTMENT

**AGRICULTURAL LABOR SOLUTIONS:
TRENDS AND THE GROWING H-2A PROGRAM**

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Who am I?

- Associate Professor
 - UF Food and Resource Economics Department
 - UC Davis ag. economics PhD
 - IU (Kelley) business undergrad
- Hobbyist computer builder
- Tennis and pool enthusiast



Professional Background

- **Teaching (70%)**
 - Intro Ag Finance
 - Futures and Risk Management
- **Extension (30%) and some research**
 - Agricultural labor
 - Financial training
 - Citrus greening

Agricultural Labor



Quotes

“U.S. agriculture faces a critical shortage of workers every year, as citizens are unwilling to engage in these physical demanding activities and guest-worker programs are unable to respond to the marketplace.”

– American Farm Bureau Federation

“Farm labor shortage nothing new, getting worse, farmers say”

– Article title in Pittsburgh Post-Gazette

Importance of Farm Labor

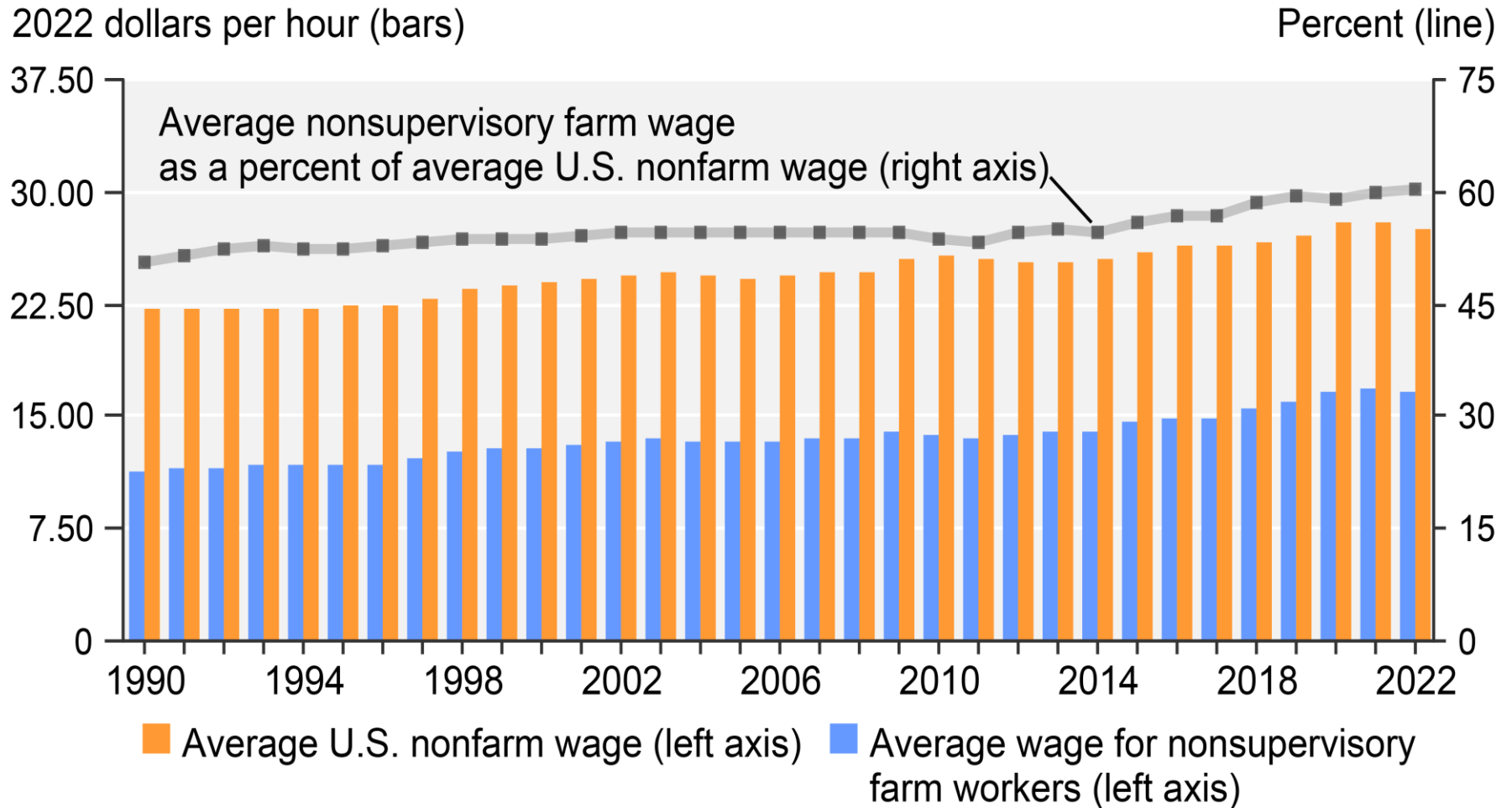
- Farm wages and salaries represent roughly
 - 14% of total cash expenses for all farms
 - 39% of expenses for specialty crops

(Source – ARMS)

- Supply of farm labor shrinking

 Farm wages rise

Real wages for U.S. nonsupervisory farm and nonfarm workers, 1990–2022

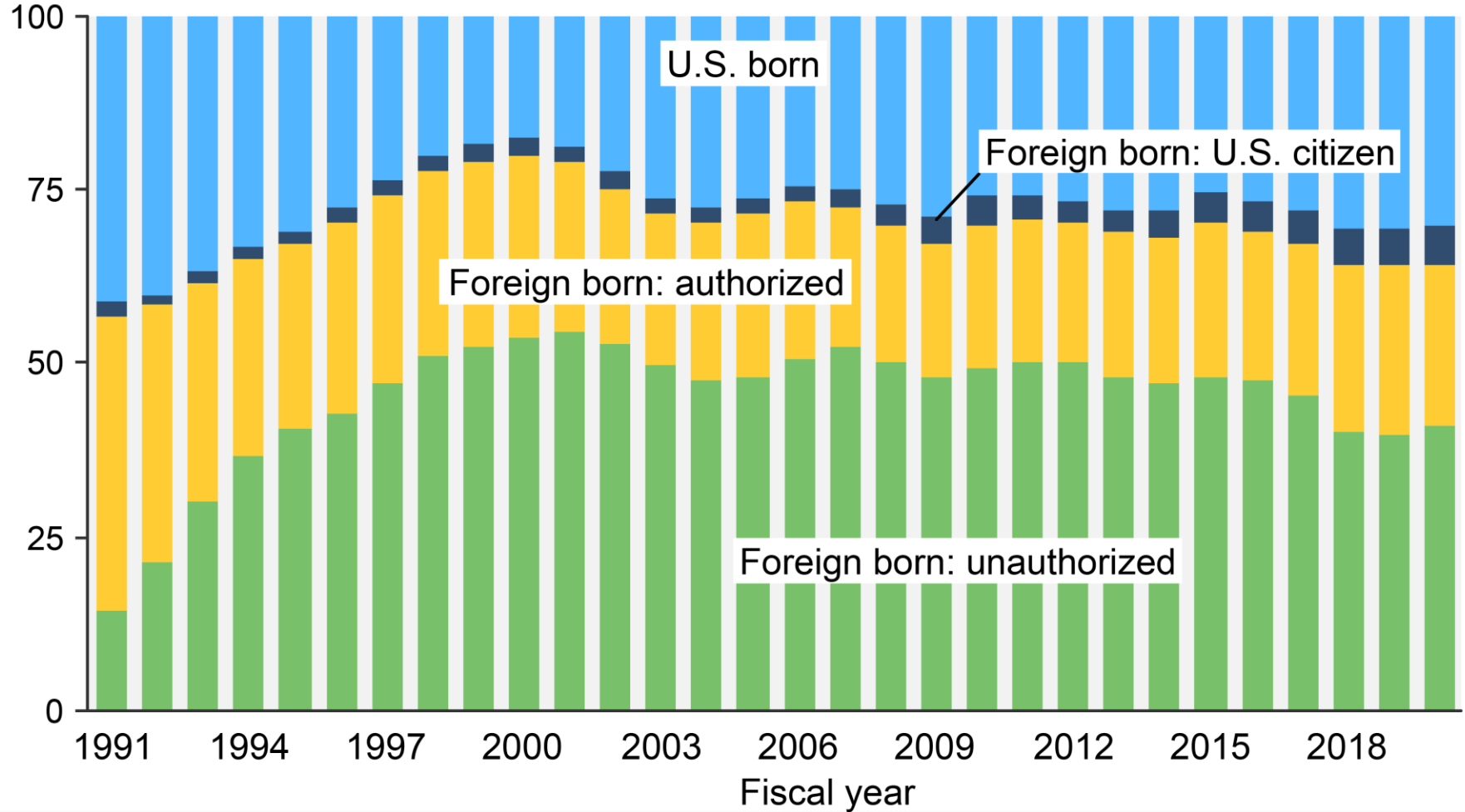


Farmworkers and Laborers, Crop, Nursery, and Greenhouse

2019 - \$13.36 2020 - \$14.49 2021 - \$15.11 **2022 - \$16.49**

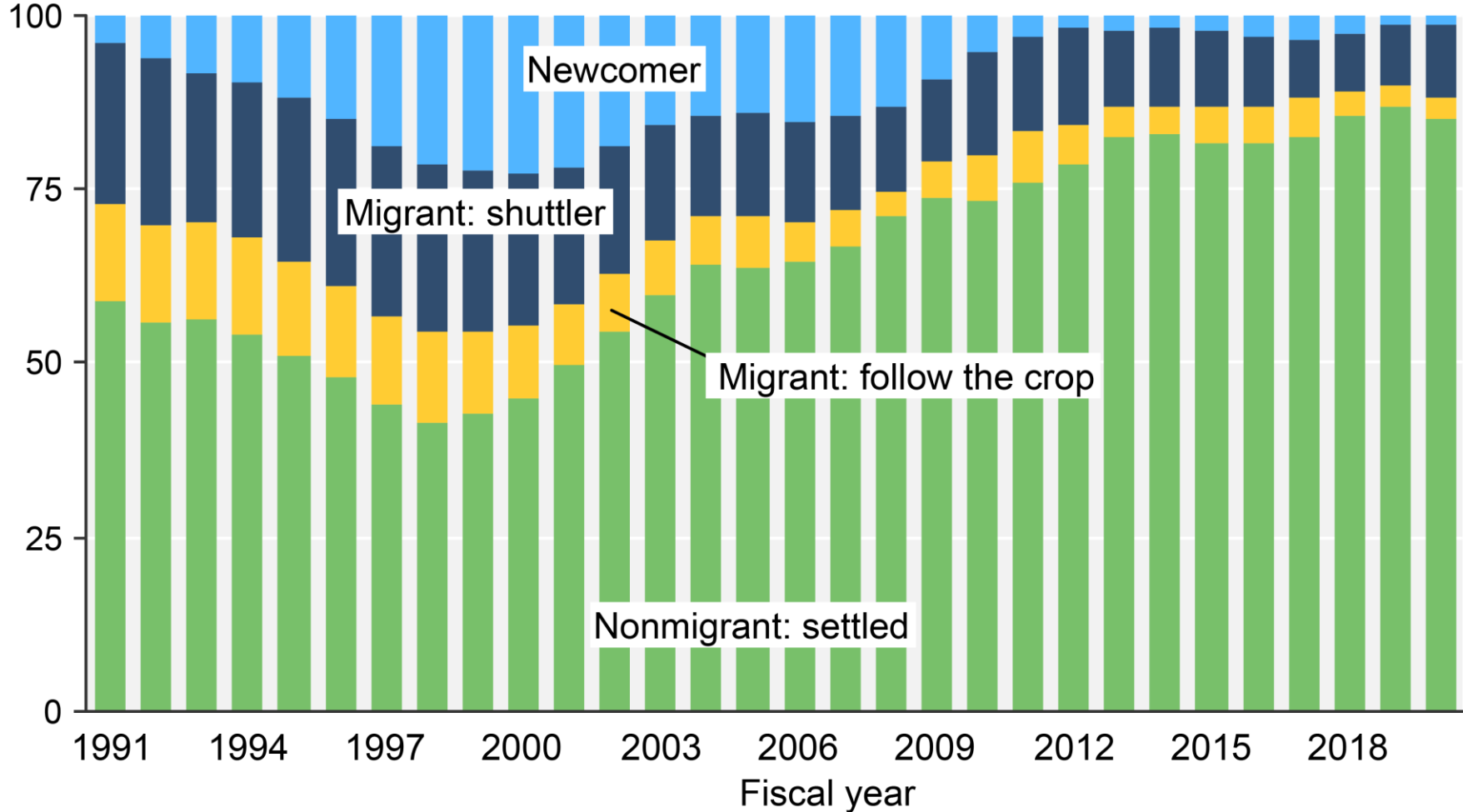
Legal status of hired crop farmworkers, fiscal 1991–2020

Percent



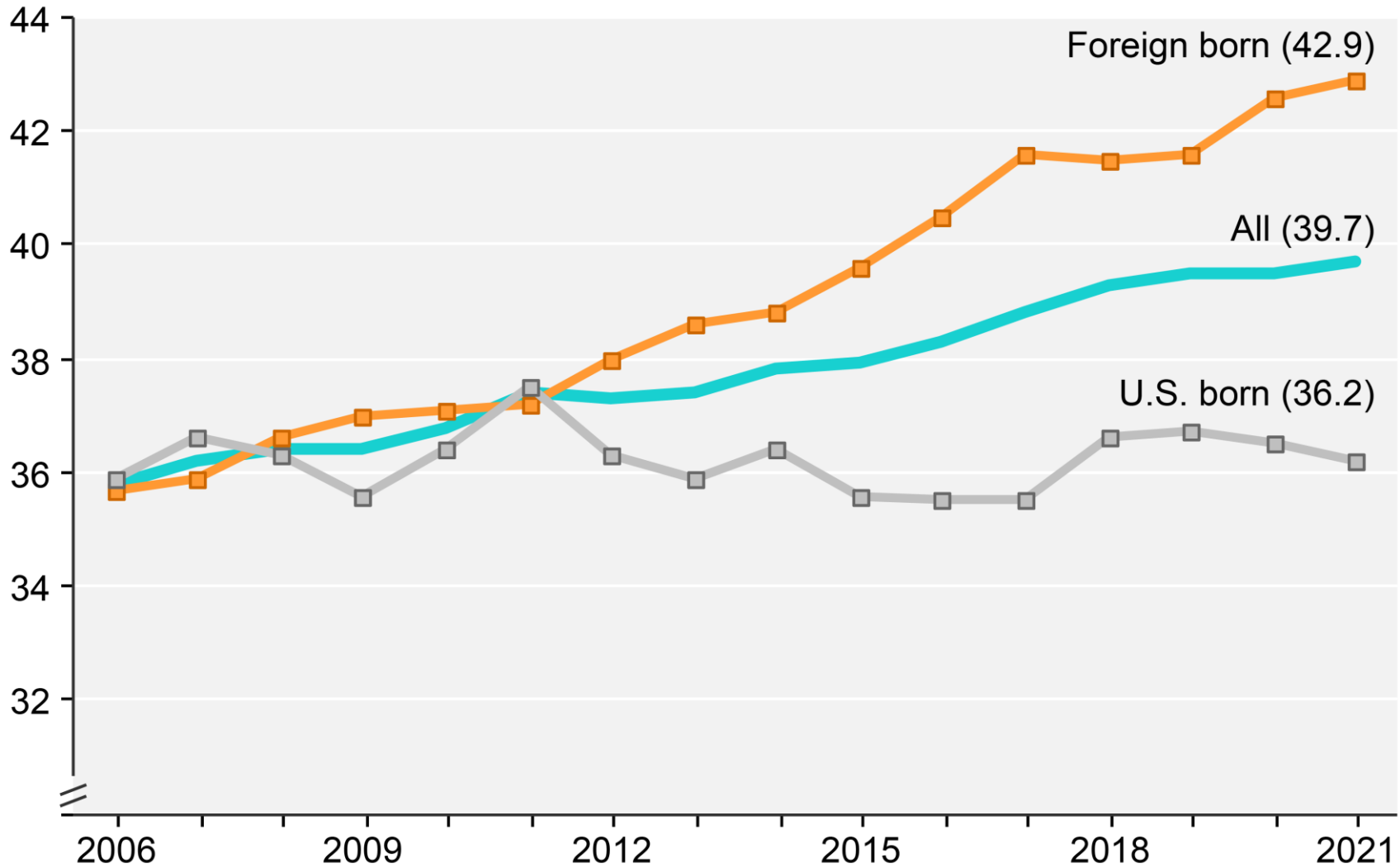
Migration patterns of hired crop farmworkers, fiscal 1991–2020

Percent



Average age of U.S. farm laborers/graders/sorters by place of birth, 2006–21

Average age (years)



Changing Labor Landscape

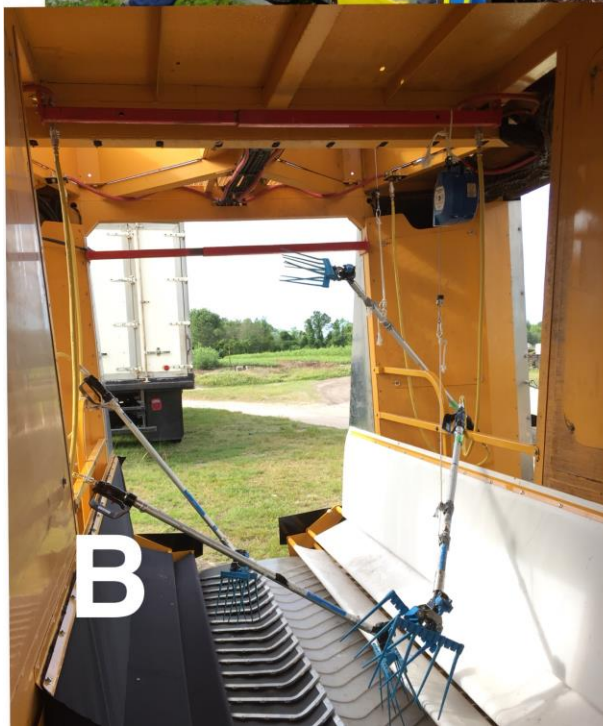
How are ag. producers adapting to the falling supply of ag. labor?

-  Technology
-  **H-2A workers**

Technology



Harvest Croo Robotics



What is H-2A?

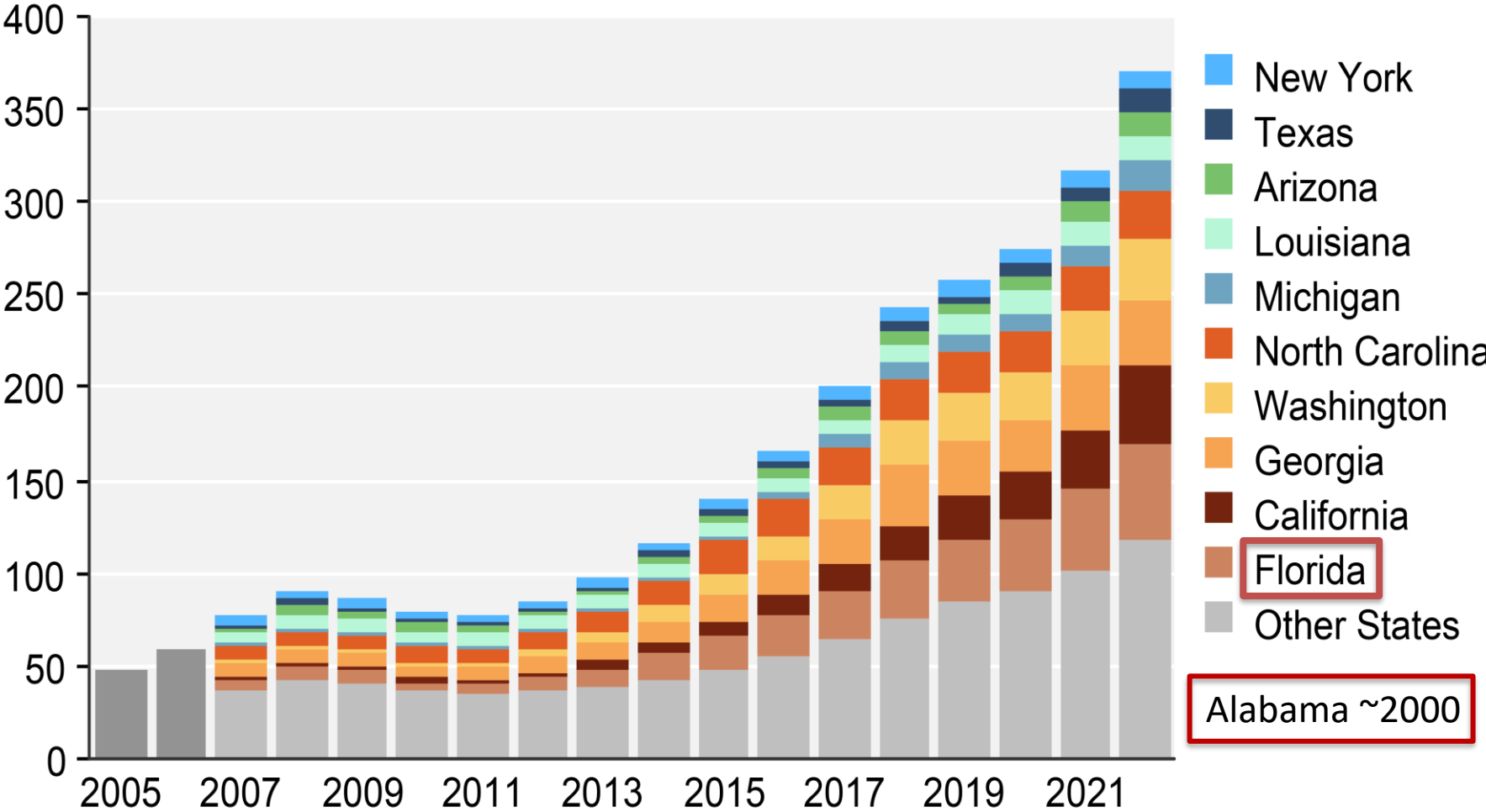
- Temporary, legal, agricultural **“guest” workers** from outside the US
- Approximately $\frac{3}{4}$ of farmworkers foreign born, $\frac{1}{2}$ unauthorized, and 11% H-2A
 - Unauthorized possibly underreported
 - H-2A growing
- H-2A predominantly used in labor-intensive crops like fruits and vegetables

What is the H-2A Program?



U.S. H-2A (temporary agricultural employment of foreign workers) positions certified by State, fiscal years 2005–22

Seasonal positions certified (thousand)



2022 – 371,000 positions certified
 2023 – forecasted 10% increase

History of US Guest Workers

- 1917-1922 – the first bracero program
- 1942-1964 – the second bracero program

- 1952 – Immigration and Nationality Act
 - H-1 and H-2

- 1986 – Immigration Reform and Control Act
 - H-2A and H-2B

First Bracero Program (1917-1922)

- Bracero comes from Spanish *brazo* (“arm” or “one who works with his arms”)
- Intended to support production during WW1
- 77,000 visas issues, only 35,000 returned

Second Bracero Program (1942-1964)

- “Mexican Farm Labor Program”
- Created in 1942 to address labor concerns associated with WW2 (extended for Korea)
- 4.5 million contracts signed 1942-64
 - Peak in early 50s with >400,000 workers/year
- Program abuse (10% pension, DDT, conditions)

Bracero Video



Guest Worker Politics

- Labor unions argued that guest workers suppressed wages
- Guest workers often stayed past employment
 - “Operation Wetback” (1954)
- Rise of National Farm Workers Association (Cesar Chavez) after bracero program end

Immigration and Nationality Act (“McCarran-Walter” 1952)

- Created the H-2 (guest worker) program
 - Temporary, nonimmigrant visas for “low-skilled” labor in the US
- Existed simultaneously with the second bracero program (1942-1964)

Immigration Reform and Control Act (1986)

- H-2 split into H-2A and H-2B
- H-2A vs H-2B
 - Agricultural workers vs nonfarm
 - Uncapped visas vs capped
 - Seasonal vs unrestricted

H-2A Program Basics

Basic requirements for employing H-2A workers:

- 1) Preference US workers
- 2) Employer-provided housing and travel
- 3) Adverse Effect Wage Rate (AEWR)

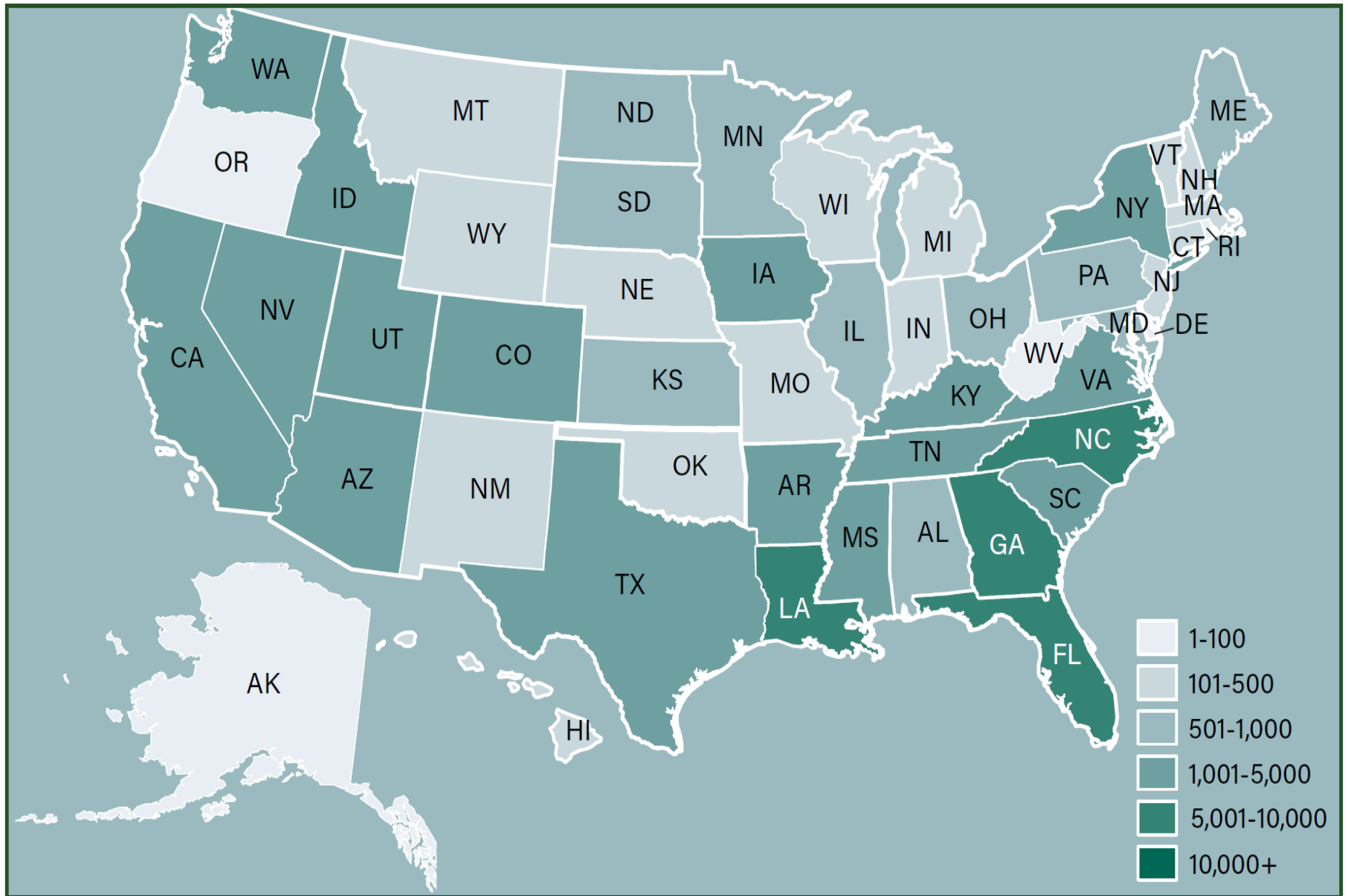
H-2A Program Evolution

- Initial hires from Florida sugar cane and East Coast apple growers
- North Carolina tobacco in mid 1990s
 - Association-based recruitment
- H-2A program small most of 1990s (<10,000) due to readily available unauthorized workers

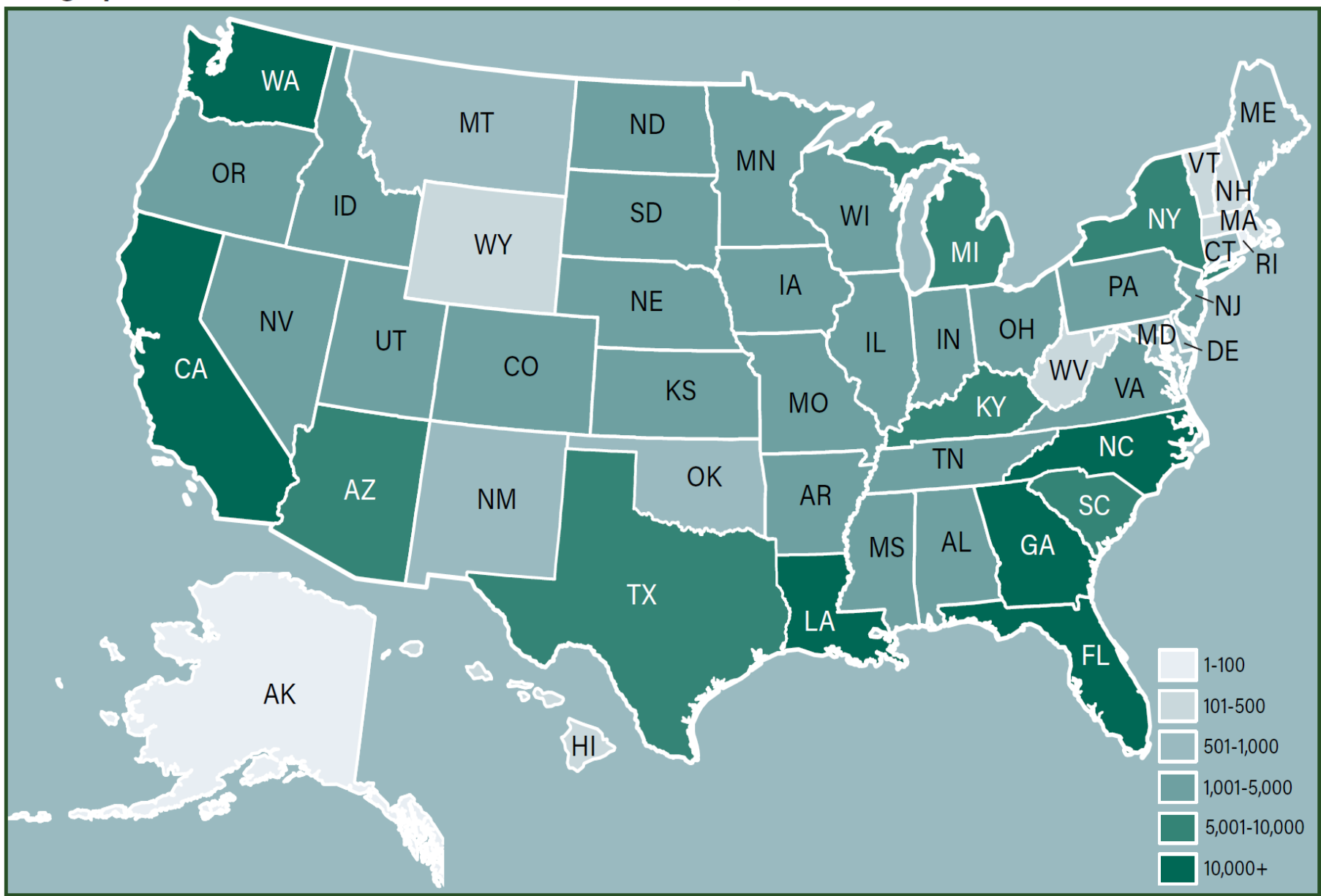
H-2A Program Evolution

- Dramatic program growth in 2010s
 - ~80,000 in 2011 to ~370,000 in 2022 (positions)
 - Lack of new legislation (some rule updates)
 - Less Mexican migration
- Largest employers are associations and labor contractors
 - North Carolina Growers Association
 - Washington Farm Labor Association

Geographic distribution of H-2A workers for all sectors, 2011



Geographic distribution of H-2A workers for all sectors, 2019



H-2A vs Domestic

Table 2. Work Characteristics of H-2A and Unauthorized Citrus Workers (Florida, 2016)

	H-2A		Unauthorized		
	Average	Std. Dev.	Average	Std. Dev.	Difference
Hourly wage	\$11.59	4.04	\$8.96	5.92	\$2.64*
Employed by farm labor contractor (%)	66.23%	7.14	95.45%	1.38	-29.23%
Paid by piece rate (%)	95.60%	2.77	73.33%	1.71	22.27%
Years of farm work experience (in U.S. only)	4.96	5.56	13.76	8.79	-8.80*
Years of farm work experience (in U.S. and abroad)	18.53	10.11	25.09	12.41	-6.56*
Monthly remittances sent home	\$823.37	372.71	\$549.38	265.39	\$273.99*

Note: The “*” denotes statistically significant differences between the two legal groups.

Source: Onel (2016).

Adverse effect wage rates (AEWR), 2023

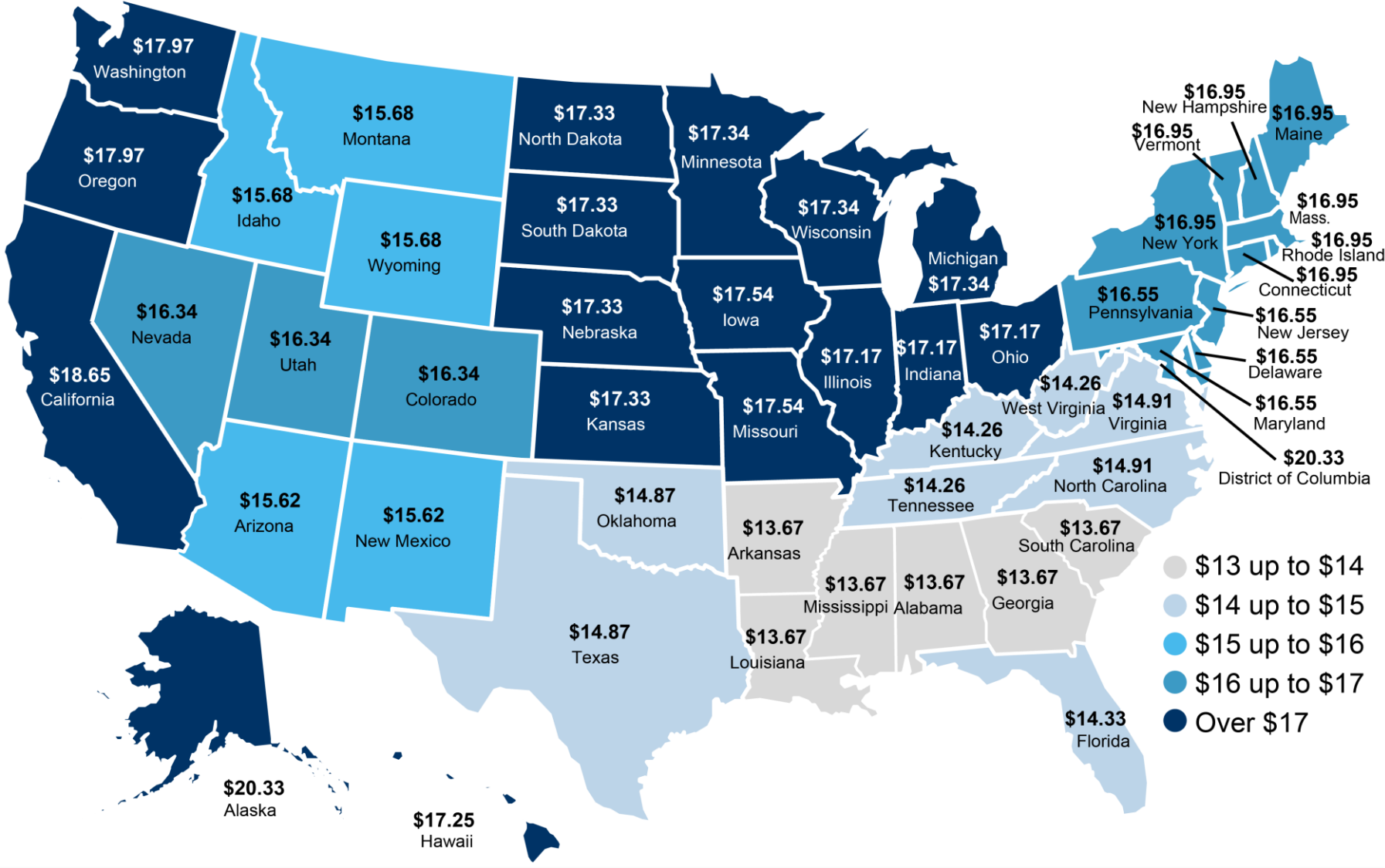
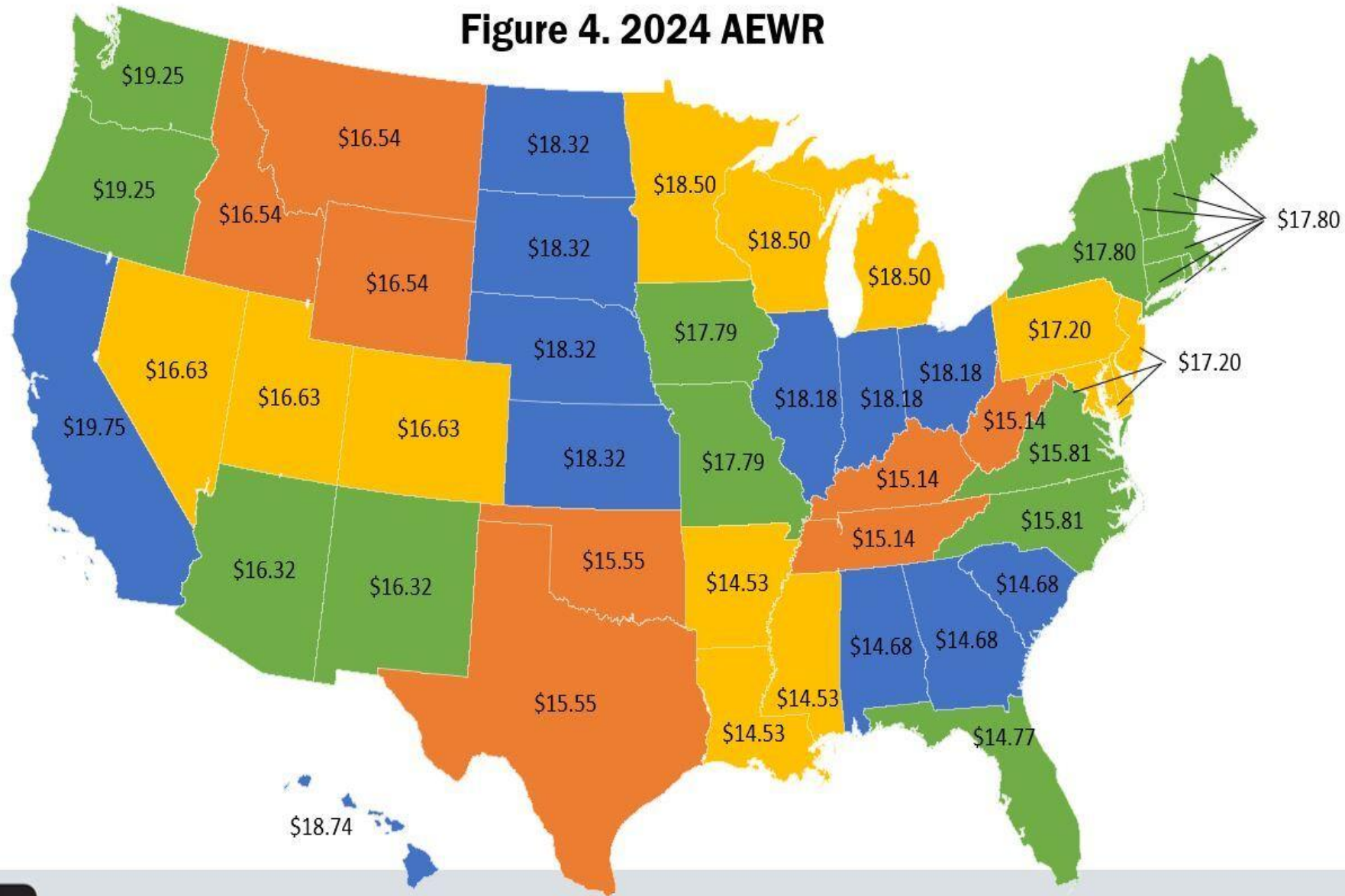


Figure 4. 2024 AEW



AMERICAN FARM BUREAU FEDERATION®

www.fb.org

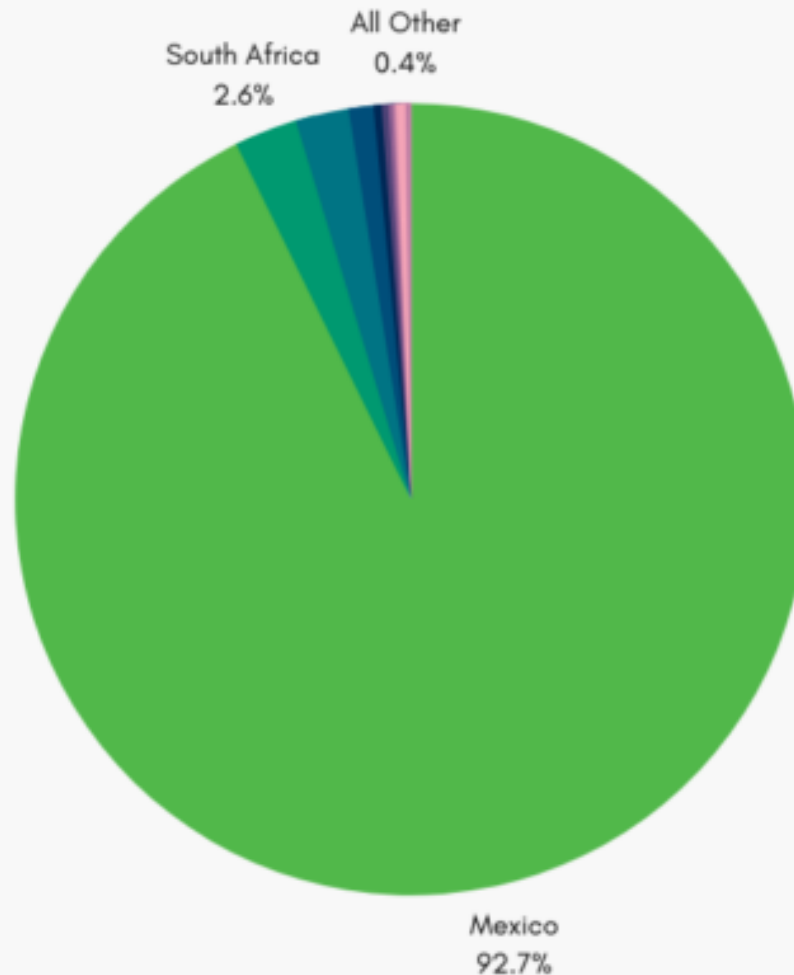
Source: USDA NASS

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Top 10 Countries of Origin

Mexico:	198,341
South Africa:	5,518
Jamaica:	4,660
Guatemala:	2,164
Nicaragua:	693
Peru:	566
Ukraine:	383
Honduras:	299
Costa Rica:	243
Romania:	224
All Other:	823

Countries of Origin of H-2A Visa Holders FY 2020



Questions + Discussion



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