Farm Labor Shortages
POLICY ANALYSIS BY NICK BOWMAN
Since the first settlers’ arrival, agriculture has been an essential part of the American experience, providing food, fiber, and fuel for the nation. In 2020, agriculture, fishing, and forestry contributed more than $175 billion to the U.S. gross domestic product (GDP) and employed 2.3 million workers. Despite its importance, the U.S. agricultural workforce has steadily shrunk over the past 70 years. Causes of this decline include the heavy physical demand of the work, volatile commodity pricing, changes in immigration policy, unequal work-life balance, and technological advancements. As seen in Figure 1, total farm employment declined from nearly 10 million workers in 1950 to 3.2 million in 2000, a 67 percent decrease. This decline is staggering as the U.S. population increased 86 percent during that time (151 million in 1950 and 281 million in 2000). In 1950, 6.6 percent of the U.S. population worked in agriculture, dropping to 1.1 percent by 2000.

In addition to shrinking, the agricultural workforce is getting older. In the past 30 years, the average age of a principal farm operator has steadily increased to 59.4 years old, with many farmers set to reach retirement age in the next decade. Compounding the issue, not enough young workers are entering the field to offset these retirements. The U.S. Bureau of Labor Statistics projects that the agricultural workforce will only increase 1 percent from 2019 to 2029, lower than their estimates for the entire labor pool, which is projected to grow 7 percent. Farmers are struggling, with some plowing over crops or letting them go to waste, because they can’t find employees or labor costs are greater than the profits they would receive. Without sufficient planning, the U.S. farm labor shortage will only worsen.

Employment figures indicate that many Americans are not interested in agricultural work. Because of this, the agriculture sector is more dependent on migrant labor than other parts of the economy. According to the USDA’s Economic Research Service (ERS), non-U.S. citizens comprise 47 percent of farm laborers, graders, and sorters, and one-third of the entire agriculture workforce. By comparison, 10 percent of all U.S. private sector employees are non-citizens. Although it is difficult to calculate, the U.S. Department of Labor estimates that roughly half of hired crop farmworkers are not legally authorized to work in the U.S. The American Farm Bureau Federation puts the number even higher, estimating that 50 to 75 percent of farmworkers are undocumented.

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Many employers use the federal H-2A Temporary Agriculture Workers Program, created by the Immigration and Nationality Act of 1952, to hire foreign-born farmworkers. The program allows farmers to employ non-U.S. citizens for up to 10 months of seasonal farm work or year-round work for livestock ranchers. To qualify, sponsoring employers must accept employment referrals from their state’s workforce agency of available U.S. citizens and contact any former employees at their last known address. If no U.S. citizens are available to hire, employers must provide proof of this with the U.S. Department of Labor verifying these claims. Employers also are required to pay a state-specific minimum wage called the adverse effect wage rate, guarantee employment hours of at least 75 percent of the workdays in the contract period, provide housing and meals for H-2A workers, and pay for their transportation to the agricultural site/facility. As seen in figure 2, the number of approved H-2A applications jumped from 48,000 in FY 2005 to 275,000 in FY 2020. Southern states Florida and Georgia are among the top users of the H-2A program.

Despite its high-utilization, some farmers have concerns with the length and difficulty of the H-2A program application process. According to the U.S. Department of Agriculture, the standard application path takes 75 days to complete. First, the employer applies for U.S. citizen workers with their state’s workforce agency. Next, the employer applies for a temporary labor certification with the U.S. Department of Labor. If the certification is granted, the employer completes an H2-A visa petition with U.S. Citizenship and Immigration Services. Potential employees must apply for an H-2A visa with the U.S. State Department and conduct consulate interviews. If approved, workers then travel to the worksite. The H-2A program also has emergency and immediate need application paths which streamline some of these steps. It is not uncommon for farmers to spend $5,000-$10,000 per worker on transportation, housing, and meals. These hurdles make it difficult for farmers to respond to labor shortages in real-time and more expensive to hire foreign-born workers, a significant source of farm labor.

A 2010 survey by the National Council of Agricultural Employers found that 47 percent of employers were either “not at all satisfied” or only “slightly satisfied” with the H-2A program.

**FIGURE 2.**
U.S. H2-A POSITIONS CERTIFIED BY STATE, FY 2005-2020

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<th>U.S. H-2A (temporary agricultural employment of foreign workers) positions certified by State, fiscal years 2005-20</th>
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<td>Seasonal positions certified (thousand)</td>
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<td>Florida</td>
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<td>Other States</td>
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Note: State-level data are not available for fiscal years 2005-06. The individual States included in the chart had more than 2,000 H-2A positions certified in fiscal year 2010. Source: USDA, Economic Research Service using data from U.S. Department of Labor, Office of Foreign Labor Certification.

The Farm Workforce Modernization Act (H.R. 1603) offers potential improvements to some of the obstacles employers face. The bill, sponsored by Representative Dan Newhouse (R-WA) and Representative Zoe Lofgren (D-CA), would create a certified agricultural worker (CAW) immigration status and update the H-2A program. Immigrants who had worked at least 1,035 hours of farm labor during the two years before March 8, 2021, but were inadmissible, deportable, granted deferred enforced departure, or permitted temporary protected status would be eligible for the new CAW status created by the bill. Additionally, the legislation would:

- codify H-2A wages by requiring employers to pay at least the highest of four options: the agreed-upon collective bargaining wage, the adverse effect wage rate, the prevailing wage, or the federal or state minimum wage,
- make it easier for employers to demonstrate that they attempted to recruit U.S. workers,
- require H-2A employers to ensure specific minimum work hours,
- expand the program to include agricultural work that is not temporary or seasonal,
- permit visa allowances for the dairy industry, and
- establish the Housing Preservation and Revitalization Program to provide financial aid for rural rental housing and off-farm labor housing.xx

The bill passed the U.S. House in March 2021 but has been stalled in the Senate for more than a year despite bipartisan support. In 2022, House supporters of the bill encouraged their colleagues in the Senate to take up the measure highlighting rising inflation rates and the national labor shortage.xx

**STATE ACTIONS**

**COLORADO**

Created in 2018, Colorado’s Agricultural Workforce Development Program (AWDP) offers funding for agricultural businesses to hire and teach interns effective agricultural practices through hands-on training. The program, managed by the Department of Agriculture, reimburses farmers and ranchers as much as 50 percent of hiring costs, capped at $5,000 per intern. To qualify, internships must include at least 130 hours of work experience and cannot last longer than six months. Agricultural businesses can receive reimbursement for up to three interns annually. In the program’s first two years, AWDP has supported 35 internships at 18 facilities in the state.xx,xxi,xxii

**LOUISIANA**

Possibly inspired by Colorado, Louisiana’s Agricultural Workforce Development Program, codified in 2020, also seeks to expand agricultural internship opportunities. Under the program, agricultural employers are eligible for reimbursement of up to 50 percent of hiring costs, with a maximum of $5,000 per intern. Like Colorado, internships must include at least 130 hours of work experience. However, in Louisiana, internships may last up to one year. Qualifying applicants must submit proof that they own a farm in the state with annual revenue of more than $25,000. Interns must be students enrolled at a Louisiana secondary or post-secondary institution or intern at a qualifying agricultural business in the state.xx,xxi

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1Not permitted by law to enter or remain in the United States.
MICHIGAN
In 2021, the Michigan Department of Agriculture and Rural Development (MDARD) collaborated with the Michigan Farm Bureau, Michigan State University, Michigan Department of Labor and Economic Opportunity, and Michigan Works to create a Food and Agriculture Employer Hiring Needs survey. Participants answer questions regarding the size of their operation, how many farmworkers are needed each year, and what type of work is in highest demand. MDARD uses the data collected from the survey to develop recommendations for farm operators about workforce recruitment and retention strategies.xxvii

MINNESOTA
The Legislature formed the Emerging Farmers Working Group in 2020 to promote diversity in the state’s agricultural workforce. The group was established to advise the Commissioner of Agriculture and the Legislature about creating and implementing programs to support new farmers in the state with a focus on women, veteran, disabled, and minority farmers.xxviii Building on the Emerging Farmers Working Group, House Bill 2298 (2021) appropriated $300,000 over two years to create an Emerging Farmers Office within the state Department of Agriculture and hire an outreach coordinator for the Office. The bill also directed the coordinator to connect minority and immigrant farmers with agricultural employment opportunities and allocated $900,000 to nonprofit organizations supporting minority farmers.xxix,xxx,xxxi

NEW MEXICO
Lieutenant Governor Howie Morales announced in 2021 that the state would use up to $5 million in federal COVID relief funds to increase wages for farmworkers. More workers are needed to harvest red and green chili peppers, which provide an annual economic impact of $50 million to the state. Roughly 3,000 farmworkers are required each year for the harvest. Joram Robbs, executive director of the New Mexico Chile Association, estimated that in 2021 the workforce was approximately half this number.xxxii

NEW YORK
The state of New York offers several tax credits to benefit farmers. First implemented in 2017, the Farm Workforce Retention Credit offers farm operators tax credits for each employee who works at least 500 hours annually. Farm operators received $250 per eligible employee in the first year of the credit. By 2021, the credit had increased to $600 per employee.xxxi The state’s fiscal year 2023 budget increased the credit to $1,200 per eligible employee. The FY 2023 budget also created the Farm Employer Overtime Tax Credit, which will offset overtime wages in the agriculture sector. Currently, farmworkers must work more than 60 hours per week to qualify for overtime wages. (In 2022, the New York Farm Labor Board recommended gradually lowering the overtime threshold to 40 hours per week by 2032. The Commissioner of Labor may accept or reject this suggestion.xxxiv) The tax credit covers up to 118 percent of the cost of overtime wages but only includes the higher overtime pay rate. In New York, the overtime pay rate is 150 percent of the non-overtime salary; this credit only covers the additional 50 percent.xxxv

TENNESSEE
In April 2019, the Tennessee General Assembly created the Agriculture Education and Youth Participation Task Force to expand the state’s agricultural workforce. Senate Bill 801 (2019) defined the composition of the 11-member task force and instructed the group to study and make recommendations regarding the state’s agricultural education goals, the skills and credentials in highest demand, and the impact of new technologies on agribusiness.xxxvi The following year, the task force published a report with their findings. Some of their recommendations include:

- encouraging the state departments of agriculture and education to work together to improve agricultural education in the state,
- expanding middle- and high-school agricultural education programs and membership in the Future Farmers of America (FFA),
- creating additional positions in the Tennessee Department of Agriculture dedicated to promoting the FFA and Supervised Agricultural Experiences—an experiential learning opportunity for high-school students studying agriculture,
- creating an Agriculture Education Extended Day program to expand Supervised Agricultural Experiences beyond the typical school day,
- permitting students enrolled in 4-H programs to participate in extracurricular 4-H activities during the school day for up to 10 days without being marked absent, and
- establishing public-private partnerships between educational leaders and industry experts to improve rural economic opportunities and develop new agricultural technology degree programs.xxxvii,xxxviii

In 2021, a joint resolution supporting the recommendations of the Agriculture Education and Youth Participation Task Force passed the House but failed to pass the Senate.xxxix The resolution was reintroduced in 2022 and was assigned to the Senate Agriculture and Natural Resources Subcommittee at the time of this writing.xl
America’s farm labor shortage is nearing crisis levels. Without intervention, the agricultural workforce will continue its current downward trajectory. Farmers will need assistance from the public and private sectors to increase their workforce numbers. Action at the federal level appears unlikely in the near-term. State legislators are uniquely positioned to take the lead on this issue. Policymakers may consider speaking with farmers and agricultural organizations to learn more about their needs. The actions outlined in this report provide examples that state leaders can emulate to reverse the current trends.