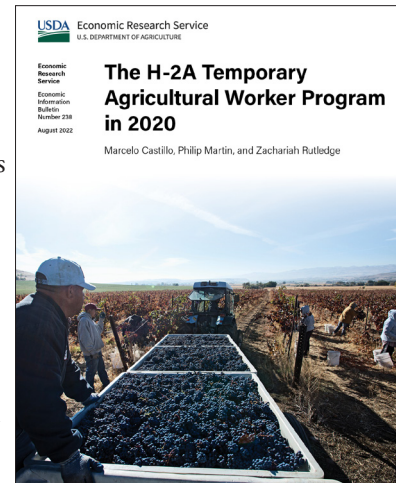


The H-2A Temporary Agricultural Worker Program in 2020

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What Is the Issue?

The H-2A agricultural worker program allows U.S. agricultural employers who anticipate too few workers to fill seasonal farm jobs by employing guest workers. The program has grown partly in response to a drop in newly arrived immigrants who seek U.S. farm jobs and current U.S. domestic workers finding jobs outside of U.S. agriculture. The H-2A program continued to expand in fiscal year (FY) 2020 despite the jump in U.S. unemployment due to lockdowns associated with the Coronavirus (COVID-19) pandemic. This report analyzes—by State, industry, and type of employer—the job offers of U.S. agricultural employers who sought U.S. Department of Labor certification in FY 2020. The authors calculate the value of job offers to estimate the H-2A wage bill and examine how proposals to freeze the Adverse Effect Wage Rate (AEWR), which is a minimum wage for H-2A workers, could affect the wages of both H-2A and U.S. domestic workers.



What Did the Study Find?

- The number of jobs certified to be filled with H-2A workers increased from around 75,000 in FY 2010 to around 275,000 in FY 2020. Six States accounted for 55 percent of H-2A jobs certified: Florida (14 percent), Georgia (10 percent), Washington (10 percent), California (9 percent), North Carolina (8 percent), and Louisiana (4 percent).
- Nationally, the average H-2A contract offered 24 weeks and 39.3 hours per week at an average hourly wage of \$13. The average contract was worth \$12,500, with a total H-2A wage bill of \$3.5 billion in FY 2020. Nationally, the average value of H-2A contracts ranged from \$8,000 to \$24,000.
- The top 1 percent of H-2A applicants (about 90 employers) received 40 percent of all H-2A certifications in FY 2020. Most applicants request relatively few workers; about two-thirds request between one and nine H-2A certifications and account for less than 8 percent of the national total. The top 10 employers of H-2A workers included 2 growers associations, 2 farms, and 6 farm labor contractors (FLCs).
- FLCs accounted for 44 percent of H-2A jobs certified in FY 2020, with most jobs certified to FLCs in Florida and California, although some FLCs based in one State may employ H-2A workers in other States.

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Many employers rely on specialized third parties such as agents, lawyers, and associations to file H-2A applications on their behalf. H-2A agents filed applications for 45 percent of all H-2A jobs in FY 2020, growers associations for 21 percent, lawyers for 19 percent, and farmers or their employees for only 15 percent.

- The Farm Workforce Modernization Act that the House approved in March 2021 proposed to freeze the AEW for 1 year. We estimate that an AEW freeze would save \$140 million a year in wage costs for H-2A workers and \$29 million a year in wage costs for the more than 50,000 U.S. domestic workers in “corresponding employment” on farms with H-2A workers who must be paid the same AEW.
- Freezing the AEW could encourage a faster expansion of the H-2A program and may affect the wages of the U.S. domestic workers who fill 90 percent of average employment on U.S. crop farms. The 2017 Census of Agriculture reported that U.S. crop farmers paid \$27 billion in wages for directly hired and contracted workers. If changes in the AEW affect the wages of U.S. crop workers, the effects of freezing the AEW would be greater than the \$169 million estimated in this report.

How Was the Study Conducted?

Employers seeking certification to employ H-2A workers are required to complete DOL Forms 9142A and 790A, describing the work to be performed, the commodity and location of the work, and the hours of work and wages, as well as housing and transportation arrangements. We analyzed the DOL’s case disclosure files, which are publicly available and contain administrative data from Forms 9142A and 790A, while focusing on the States, commodities, and employers with the most jobs certified.

We calculated the value of the job offers certified by DOL by assuming that all the hours offered were worked at the offered hourly wage. Actual worker earnings could be lower if employers satisfy only the three-fourths guarantee, meaning that they pay for that amount of the days and hours of work promised in the H-2A job offer. On the other hand, H-2A worker earnings could exceed our estimated contract values if employers offer and workers accept more hours of work, workers employed under piece-rate wage systems earn more than the AEW, or workers receive overtime wages and bonuses.