

Ohio's H-2A and H-2B workforce: An update

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Evidence suggests that access to labor was a concern of Ohio's food and agriculture sectors before the onset of the COVID-19 pandemic, which certainly piled on additional disruption to the sector's labor market. Following the April 20, 2021 announcement that the cap on the number of H-2B (non-agricultural) visas issued would be increased for the second half of FY2021, it is clear that attempts are being made at the federal level to bolster the available labor supply. However, this increase is far less than the requested number of visas for the first half of FY2021, casting doubt on whether resolution for the sector's labor access issues is close at hand.

Current State of H-2A & H-2B regulations

H-2A and H-2B are both visa programs that offer U.S. employers the opportunity to hire noncitizens for temporary work in agricultural and non-agricultural positions, respectively. Food processors, including meatpackers and poultry processors, hire workers through the H-2B program rather than H-2A; this is important because while there is no limit on the number of H-2A visas issued, H-2B visas are subject to a cap. In a typical year, meaning one without the disruptions that characterized the pandemic, the cap for H-2B was set at 66,000 workers, split evenly between the two halves of the fiscal year. Demand for these visas routinely exceeds this cap.

In light of these disruptions and the documented unmet demand for these visas by US employers, there was talk in FY2020 of expanding the cap by 35,000, but it was never actually enacted. However, an increase in the cap for FY2021 was authorized in the Consolidated Appropriations Act in December 2020. Although it was not implemented for the first half of FY2021, the April 20th announcement has allowed for an additional 22,000 positions for the second half of FY2021. Prior to this announcement, a lottery was conducted on February 17, 2021, to

determine which petitions for H-2B visas would be filled up for the 33,000 positions initially allocated for the second half of FY2021. The number of petitions received was roughly 100,000: more than triple the number of available visas.

In addition to expanding the cap for the H-2B program, temporary regulations increased its flexibility will remain in place at least through FY2021. This flexibility is focused on allowing H-2B workers to remain in the US while renewing their visas, rather than having to leave the country and come back, and on extending visa time limits for authorized workers already in the country and working in approved positions.

Who are Ohio's H-2B workers in 2021?

The most recently available data on state-level H-2B participation comes from requests made during the first quarter of FY2021: October 2020 through December 2020. Ohio businesses requested 522 H-2B positions during this quarter, of which 413 (79%) were certified. A breakdown, by industry and certification or approval status, is provided in figure 1.

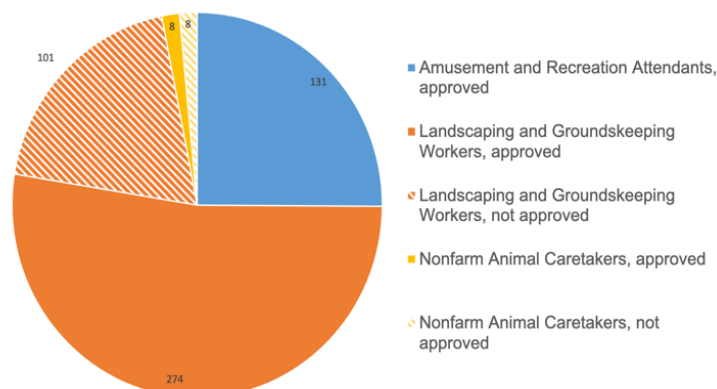


Figure 1: Number of H-2B workers in Q1 of FY2021 in Ohio, by industry

As the graph shows, the majority of H-2B petitions in Ohio came from landscaping or groundskeeping companies, with no positions coming from meat or food processing companies during this time. As such, these workers tend to be more concentrated in the state's urban counties, as the map in figure 2 demonstrates.¹

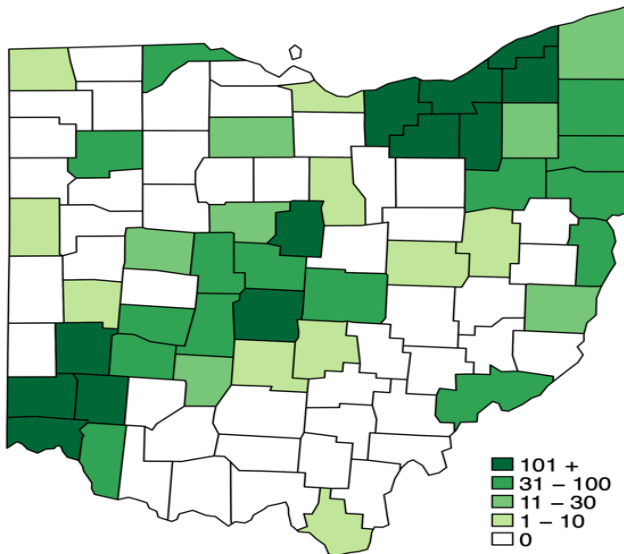


Figure 2: Ohio counties by number of certified H-2B workers in FY2020-Q1 FY2021

A similar breakdown in terms of H-2B worker industry code is seen when looking at the kinds of petitions made in neighboring states, including Illinois, Indiana, and Michigan. This, of course, begs the question: where are the petitions for H-2B workers in food processing, meat packing, and grading and sorting coming from?

Analysis of the data from the first quarter of FY2021 shows that companies made requests for 6,849 workers in these three areas; of those requests, the vast majority (6,711, or 98%) were certified. In terms of locations, these petitions, both successful and unsuccessful, predominantly come from the coastal states, particularly Washington and Louisiana. Further, positions in food processing make up 22.6% of the total H-2B workers certified during this quarter: a significant share, but by no means the majority of positions.

Who are Ohio's H-2A workers in 2021?

In the same time period, Ohio's agricultural

operators filed petitions seeking to fill 761 H-2A positions. As expected, the majority of these positions were for nursery or greenhouse workers; these types of production tend to be more labor intensive than row crop production. The approval or certification rate for these workers was much higher, at 90.7%, than the same rate for H-2B workers. Figure 3 shows that H-2A workers over the last year were well distributed across the state, with a particularly heavy concentration of workers in the north-central part of the state. The majority of counties did not have any H-2A workers during this period.

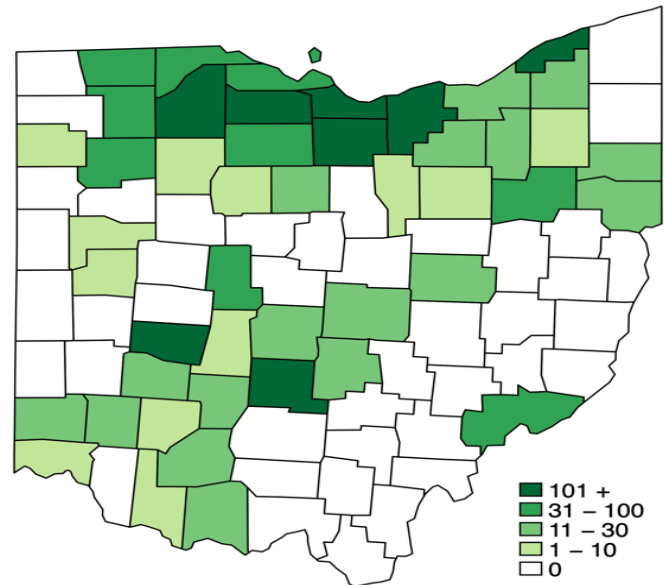


Figure 3: Ohio counties by number of certified H-2A workers in FY2020-Q1 FY2021

Ohio's 690 certified H-2A workers for quarter 1 of FY2021 represent a small fraction (1.4%) of the total agricultural worker positions certified during that time period. Nonetheless, the number of workers puts Ohio just outside the top ten states in terms of H-2A worker employment. Figure 4 shows Ohio's position relative to the states with higher numbers of approved H-2A workers. As with the workers approved for H-2B visas in the broadly defined area of food processing, the majority of H-2A workers go to coastal states dominated by the production of labor-intensive horticultural crops. Florida, for example, receives a full third (33.6%) of the H-2A workers approved during this quarter, with Arizona in a distant second with 12.5% of workers.

¹To provide a more accurate picture of the current situation, the map in figures 2 and 3 both include workers certified in 2020 and the first quarter of FY 2021, the only 2021 data available. As a response to the COVID-19 pandemic, the federal government added flexibility that allowed H-2B workers the option to renew their positions without returning to their home country, or to extend the time limit of their certified positions. As such, many of the workers requested in 2020 may still be present; the data in these maps reflect that.

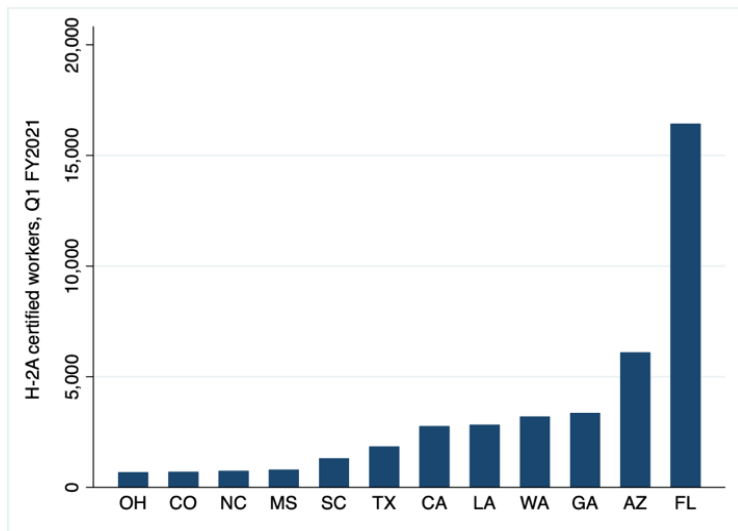


Figure 4: Number of H-2A certified workers in Q1 of FY2021, by state

Conclusion

Despite the temporary increase in the number of H-2B visas for the second half of FY2021, labor supply access is likely to remain a significant area of concern for both agricultural and non-agricultural operations. Demand for H-2B positions far outpaces the number of positions that are certified in a given year, even when the temporary cap increase is taken into account. What remains unknown and unrecorded, of course, is the true extent to which there is unmet demand for labor on farms or in agricultural processing positions, either in Ohio or nationwide. The data, of course, do not show the operations that would be interested in requesting workers, but were deterred, either due to the time or expense involved, or for some other reason. Even though H-2A positions are not capped, there are many features that make the program unappealing. The process for filing a petition involves a not-insignificant amount of time, or the services of an agency that prepares the materials on behalf of an operation. These requirements mean that larger operations, and especially those with dedicated HR personnel, are more likely to be able to take advantage of these programs and therefore secure the workers they need.

It is clear that labor supply access remains a concern for agricultural operations along the supply chain, and the volatility of that supply has only been enhanced by the uncertainties the COVID-19 pandemic brought to the fore. Although measures such as temporarily raising the cap on H-2B workers and providing additional flexibility for workers who are already in country are valuable, they are, of course, only temporary. As such, it remains imperative that continued progress is made towards a solution, legislative, programmatic, or otherwise, that connects US operations with workers and workers with these critically important jobs.

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