Outline

• What has changed since the pandemic?
  • General trends
  • Outlook for agricultural employment
    • Growth in visa workers
    • Outlook for agricultural wages

• Quick updates on U.S. agricultural labor policy
General labor market trends
General employment update: introduction

• No longer in the period of intense labor demand that characterized 2021

• Major concerns about inflation eroding wage growth, which has been unequally distributed:

Source: Calculations from BLS by Indeed
Changes in employer behavior

• Growth in importance of non-wage amenities:

• Industries leading this change include childcare, construction, and dentistry

Source: Calculations from Indeed Job Search Survey
Other trends on the horizon:

- Job growth is slowing but remains strong and unemployment is at pre-pandemic levels

- Area for concern: drop-off in the ratio of prime age employment to population
  - Implications for who is (and isn’t) returning to the job market post-pandemic

- Interest in part-time seasonal work for winter higher than in 2021, with employer demand lower
  - Potential for reduced bargaining power for these workers
Unemployment, by industry

- All industries, national
- Leisure and hospitality, national
- Non-durable goods manufacturing, national
Labor market exits
Unemployment in Ohio

- **All industries, Ohio**
- **All industries, national**

Diagram showing unemployment rate trends from Jan 1980 to Jan 2020.
Agricultural employment update
Employment trends: Farm workers

Recovered most of 2020’s 8% decline in 2020.
Worker shortages likely driving growth in visa workers
Sign of recovery: visa workers in the supply chain
Sign of recovery: visa workers in the supply chain
How long can we rely on immigrant labor?

• Composition of undocumented immigrants has changed dramatically
  • Fewer from Mexico, more from “non-traditional” nations of origin
  • Fewer family units

• Composition of farmworkers changing
  • Fewer families, more “temporary” mindset
  • Older

• Will immigrants continue to be attracted to agriculture?
Agricultural wage update
H-2A workers relative to minimum wage:

![Graph showing the average wage of H-2A workers in Ohio compared to the minimum wage from 2005 to 2020. The reported wage shows a steady increase, while the minimum wage shows a more gradual increase.](image-url)
Farm wages by job type, Ohio

- Ag. equipment operators
- Farmworkers (crop)
- Farmworkers (livestock)
Farm wages by job type, Ohio vs. national
Conclusions:

• Labor remains a pressure point

• Fueling interest in both visa workers and also labor-saving technology

• Agriculture is keeping pace with the general economy in terms of wages but is likely falling behind in terms of benefits
Agricultural (labor) policy update
Policy update: FWMA

• Inflation & labor shortages renewed interest in the Farm Workforce Modernization Act
  • Interest peaked during the early summer and fell off ahead of elections

• Support from leadership in Senate; already passed House (March 2021)
  • Senate version to be expected “soon”
  • Time pressure in the lame duck session: must be voted on before the new session starts or the process starts over

• Outstanding question: will the bill be coupled with border security measures?
Looking ahead to the Farm Bill

• Labor situation one challenge amongst many that will dictate conversation around 2023 Farm Bill

• Farm Bill may get more attention that usual this year
  • Global security context
  • High grocery store prices

Lots to talk about in 2023!
Thank you!

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Employment trends: Food processing
Employment trends: Food service

13% decline from start of pandemic – present
Unemployment in Ohio, by metro adjacency
Unemployment in Ohio, by county rurality

- Metro, pop. > 1 mil.
- Metro, pop. between 250,000 and 1 mil.
- Metro, pop. < 250,000
- Non-metro, urban pop. > 20,000; adjacent
- Non-metro, urban pop. between 2,500 and 19,999; adjacent
- Non-metro, urban pop. between 2,500 and 19,999; not adjacent
Pull factors: sector-level wages in Ohio

Average monthly change:
+0.45%

Average monthly change:
-0.02%
Pull factors: sector-level wages nationally

Hazard pay did not shift wage trend

Post-pandemic trend shift

Non-durable goods manufacturing, national

Food service, national
Farm Workforce Modernization Act, 2021

- Passed in the House in March 2021, currently being read in committee in the Senate

- Two major components:
  - Creation of special immigrant status for certified agricultural workers (CAW)
  - Changes to H-2A program

- Definite compromise: is anyone happy?
Farm Workforce Modernization Act, 2021

Certified worker status:

- Worker must meet 3 qualifying requirements
  - 1,035 hours of ag labor in two years prior to March 8, 2021
  - No legal status on that date
  - Has not left the U.S. between that date and receiving status

- Benefits
  - Valid for 5.5 years
  - Spouse and children may receive dependent status
  - CAWs can apply for legal permanent residency after meeting ag. work requirements
Farm Workforce Modernization Act, 2021

H-2A changes:

- Easier for operators:
  - Changes to how to satisfy requirement to recruit domestic workers
  - Changing program availability to include ag work that is not temporary or seasonal
  - Electronic platform for ease of facilitation

- Possible increased burden for operators?
  - New method for calculating the H-2A minimum wage
  - Guaranteed minimum work hours
  - Electronic system (similar to E-Verify) for employment authorization
Farm Workforce Modernization Act, 2021

Other changes:

• Some workers may get “portable” status, meaning they can move from one H-2A job to another without leaving U.S.

• Visa allocation for dairy industry specifically

• Establishment of Housing Preservation and Revitalization Program
  • Grants for new farm worker housing
  • Financial assistance for improving rural rental housing
  • Rental assistance for qualified tenants
Farm Workforce Modernization Act, 2021

Impacts

• Open path to legal status for hundreds of thousands of farm workers

• Represents significant bi-partisan effort in this area

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