

# WALL STREET JOURNAL

## EDITORIAL: THE FARM WORKER SHORTAGE

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The Senate begins floor debate on immigration reform next week, and our hope is that it can improve the Gang of Eight bill that emerged from the Judiciary Committee with the U.S. economy foremost in mind. One place to start is ending America's farm-worker shortage.

Farm growers have reluctantly (and under Democratic pressure) endorsed the Gang of Eight's framework, flaws and all, because they desperately need more workers. Although there's currently no cap on agriculture visas, only 5% of the country's two million farm workers are employed under the current and very onerous H-2A visa program.

One reason is because H-2A visas are only good for a year and don't allow workers to change jobs. The fast-twitch bureaucrats at the Labor Department also must certify that U.S. workers aren't available to do the job, so workers arrive late if they arrive at all.

In 2010, farmers reported more than \$320 million in losses because they didn't get the workers they needed. Illegal workers fill most of the gap, but increasingly the bigger companies are moving production to Latin America. Growers estimate that 80,000 acres of fruit and vegetable production have moved out of California alone because of the labor shortage.

The good news is that the Gang of Eight bill replaces the H-2A visa with a more rational guest-worker program. It would create a more flexible "W" visa that would last three years and allow workers to change employers. The new program would be administered by the Department of Agriculture, which has traditionally been less subject to union manipulation than the Labor Department.

A worker carries boxes of packed vegetables at Swank Specialty Produce farm in Loxahatchee, Florida, U.S., on Wednesday, May 8, 2013.

Meanwhile, current unauthorized workers would be able to obtain legal status with a new blue card, and after paying taxes in addition to a \$400 fine would be eligible for a green card after five years and ultimately citizenship. This would give certainty to employers who now live under constant threat of audits by the Labor Department and raids by Immigration and Customs Enforcement. Workers lost in these shakedowns aren't easily replaced.

The problem is that in return for these improvements, labor unions demanded a cap on new guest workers of 337,000 over five years. That isn't likely to fill the needs of an industry in which labor shortages run as high as 20%, depending on the location and crop. The guest-worker flow ought to follow labor demand, not have an artificial cap that might still allow a shortage that would attract more future illegals.

The Secretary of Agriculture would be able to lift the cap in "severe labor shortages," but much will depend on how the Secretary defines "severe." Is a shortage that results in several thousand acres of spoiled lettuce in California's San Joaquin Valley severe? Or must prices increase at the supermarket?

The legislation also makes life difficult for employers who need labor year-round by requiring that guest workers return home for at least one-sixth of the duration of their visas. This can disrupt operations by taking away the most experienced workers at crucial times, even if they want to stay.

Equally troublesome are the legislation's fixed wages, which unions demanded to ensure that pay for domestic workers doesn't fall with an influx of foreign labor. The wage scales vary by job classification—ranging from \$9.17 per hour for field hands to \$11.30 for equipment operators—and would automatically increase by 1.5% to 2.5% each year.

Wage controls suppress market signals that determine the most efficient allocation of labor, and these new wage scales would make it especially difficult for farmers of low-grossing crops to compete with foreign producers. Some would shift to row crops that allow more mechanization, but that would mean fewer U.S.-produced strawberries and other high-value crops that require humans to harvest.

Because the wage controls would apply only to employers who use guest workers, farmers would have an incentive to hire domestic workers exclusively. But because relatively few Americans want to do farm work, this would merely drive more farm production overseas. The definition of perverse would be an immigration reform that causes the U.S. to import more of its food supply.

Most media attention on immigration has been on legalizing the 11 million workers already here, but more crucial for the future is creating an adequate flow of guest workers to meet the demands of a growing U.S. economy. Having conceded on a "path to citizenship" for the 11 million, Republicans should focus on creating guest-worker programs with enough visas and without bureaucratic controls. Let Democrats choose between satisfying Big Labor and legalizing 11 million Hispanics.