

GROWERTALKS

Growers Talk Business

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To H-2A or Not to H-2A? That's the Question?

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With the changes our country is going through, there's less labor available to do the blue-collar jobs in America. This is a problem we're facing with agriculture jobs; less available workforce, higher wages and the unpredictability if an employee will even show up to work on a daily basis. One way we as a business try to resolve this is by utilizing the H-2A Program.

If you're not familiar with it, H-2A is a federal guest worker program that allows seasonal agricultural businesses the ability to get highly motivated, consistent workers to specialize in agriculture crops. H-2A, over the years, can stabilize your workforce and provide peace of mind for your company. You have the ability to bring the same people back each year and eliminate the need to train seasonal employees every time you hire. This drastically cuts down time spent training employees who may or may not show up, which is a problem we've experienced recently.

A few years ago, we had 90 seasonal positions to fill. In a 10-week period, we hired 432 people to fill the 90 positions. We were turning people over before the first break in the morning. The fact is not many people want to work at the pace needed to complete a spring rush. It's a tough job that requires motivation and fortitude to see the job through. We needed a group of people we could train quickly and be reliable.

We turned to the H-2A program. Instead of daily paperwork for new hires and two-hour training on company rules, Material Safety Data Sheets and customer requirements, we're training two groups of H-2A workers on the start dates we have the guest workers arrive. This saves time, money and energy, all of which are better spent in other areas of your business.

When we switched to H-2A, we were able to take the 90 positions and replace them with 60 H-2A guest workers. This helped offset some of the cost of the program, but what we were really trying to improve was our consistency in retaining employees, which would result in product shipping at a higher level of quality and a quicker pace. We've accomplished this and are now improving upon it.

There is a cost to utilizing the H-2A program. Higher wages are the most obvious and glaring cost, but if you track minimum wage increases over the next five years, \$15 an hour will be common. Housing is also a requirement. You must house these employees free of charge. We use homes on our property to house our workers. (Room sizes and restrooms available will dictate the number of workers you can put in a home.) We've also utilized local apartment complexes if we had overflow.

Lastly, there are fees and transportation to and from the country of origin. Recruiting fees do fall off, however, as you

establish a good group of employees over the years.

H-2A is a commitment; it takes time to navigate the rules properly and to establish a good working relationship with the program.

H-2A is also cumbersome and we've found utilizing a service to facilitate the process is worth the cost of the service. They'll walk you through the process and give you the timelines to complete each step. It's best to appoint a person in your business to be the "champion" of the process, as you'll have to answer questions and provide paperwork quickly to meet the government timelines.

There are other rules for the program that require attention when the guest workers arrive and through their time spent working for you. The $\frac{3}{4}$ Rule says that you're entering into a contract to give your guest workers so many hours of work during their stay. This simply means if you offer 40 hours a week and there's inclement weather, you can work your employees 30 hours with no penalty. This is an accumulative amount of hours over the length of the stay, so 40 hours a week for 10 weeks is 400 hours promised, but you have to pay a guarantee of 300 hours minimum. There's no penalty for working your H-2A employees more hours than you contracted for.

The alternative is a local workforce that's hard to keep engaged in an agriculture business and the uncertainty each year if there will be enough labor to fulfill your needs. The need to engage labor companies, the rising cost to advertise for employees, the need to rehire over and over, and the frustration of being inconsistent for your customers begged us to ask ... to H-2A or not to H-2A? We choose to H-2A. **GT**

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