

GROWERTALKS

Cover Story

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Forget the Weather: Labor is Your No. 1 Worry

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"It's our industry's biggest Achilles' heel," said Bob Jones.

That's how the owner of Spring Creek Growers outside of Houston answered when I asked him about how the labor scene was faring in his neck of the woods. A wholesaler that sells to local grocery chains, IGCs and landscapers, Bob said their customers are experiencing the same thing: an alarming absence of workers.

The availability of willing workers will be the deciding factor on whether Spring Creek will expand. The Jones' feel that it would be foolish to build more greenhouses when they can barely find people to staff the ones they already have.

A grower in the Midwest told me they went through more than 500 people to fill 200 jobs. Another from the East Coast said that not having a legal guest worker program "will be the downfall of our industry."

We're hearing more and more of these stories during our travels, and the concerns about labor have surpassed weather as the No. 1 worry that keeps growers and retailers up at night. AmericanHort's Craig Regelbrugge said it best: "In a sense, labor has become the new weather. It's the thing that, no matter what you do, it's difficult to control, and it's having a profound effect."

Where we are today

We can't talk about the labor situation without talking about government policy—or in this case, the lack thereof. As of press time, the main issue that our industry organizations (AmericanHort and the Society of American Florists) have been busy lobbying for is "cap relief" in the H-2B program.

Since the 1980s, the H-2B program has had a statutory limit on the number of workers allowed to get work visas in the U.S. And since the '80s, the cap has been set at 66,000 visas per calendar year. That may seem like a lot, but unlike the H-2A program—which is just for agriculture and horticulture workers and doesn't have a limit—H-2B is a program that caters to many industries, including hospitality and construction. To spread fewer than 70,000 in-demand workers across multiple industries over the entire country is a stretch, to say the least.

For us, the H-2B program covers the landscape segment, and with the way the cap is set now, there's not enough pie to go around.

Craig explained the math: "On one hand, the landscape sector at large uses roughly half of the available visas. But that said, the H-2B program provides less than 5% of the landscape industry's labor needs," he said. "It's a critically important 5% because it's being able to deal with periods of peak production. So for a company to be profitable and for the U.S. workers in a company—whom are the majority—for their well-being to be sustained, you've got to be able to do the peak production."

Craig said that the short-term picture relates to Congress' efforts to renew a temporary provision that's been passed several times over the years, including in December 2015, which is referred to as the Returning Worker Exemption. It allows H-2B workers who've been here in the last three years, and obeyed the terms and conditions of their visa, to be able to come back the next year without counting against the cap.

Thankfully, Congress just passed a spending bill in April that runs until September 30, which included provisions for H-2B. Craig said that's good news because if it hadn't been included, "it would be game over. But the bad news is we're not sure which game it is." The bill allows the Homeland Security Secretary to temporarily process visas up to a higher level, but to date, the department has not done that and Craig said it's not clear if and when they'll start.

But the main question is: Will we ever see our government pass comprehensive immigration reform that includes better worker visa programs? Bert Lemkes, who's been in horticulture for most of his life and has actively lobbied for immigration reform for more than 10 years, feels that the situation will get worse before it gets better. It's not Bert being an alarmist; it's because of the current polarized political climate of being reactive rather than proactive that's hindering our policy makers from dealing with this head on in a timely fashion.

"I hope that, in a way, things will go so badly so fast that all of our elected officials—both sides of the aisle—will say, 'We have to solve this.' Because we can't continue the way we are; this is gonna break us," said Bert. "The economy will be hurt badly if we don't find a workable solution through real comprehensive immigration reform."

By "comprehensive," Bert said that it doesn't mean everything has to be done at once. All growers want a legal, common-sense system that addresses every angle, he said.

"I'm optimistic about the medium-term, but in the near-term it's just a question of when do we get the opportunity to move," said Craig. "I do think as the situation grows more dire, more people will be willing to be vocal."

In the meantime ...

As comprehensive immigration reform continues to be kicked down the road, growers and retailers are forced to get creative to find labor. Here are some ideas your counterparts have been using that are working:

- **“Share” workers with other local businesses.** Without sharing some of their workforce with the Del Monte Foods facility down the street from their facility in Illinois, Color Point’s labor issues would be even worse. Color Point’s Human Resources Department has worked out a situation where they share the same staff as Del Monte to help each other fill staff vacancies. It works because they have opposite busy seasons. So not only are both businesses able to find labor during their peak production times, but the workers have year-round employment that they can count on.

- **Partner with local job-training agencies/programs.** Bell Nursery’s locations near the city of Baltimore offer opportunities to find workers outside of the traditional labor pool. Gary Mangum said that they’ve been working closely with the Living Classrooms Foundation, whose mission is to provide hands-on education from kindergarten to college and job training for young adults. All of the participants in the foundation come from low-income situations and face many obstacles toward leading a successful life.

A few of the programs center around re-introducing ex-offenders back into the community by offering job training. Project SERVE is for older adults who’ve recently been incarcerated and Fresh Start is a 40-week job skills training program that serves out-of-school youth, ages 17 to 19 and most of whom are referred by the Maryland Department of Juvenile Services.

This year was the first time that Bell hired some of the men from Living Classrooms to work at their distribution facility and Gary said it’s been very successful for the company and for the employees.

“We have LOVED the experience and the guys that we worked with this first year were all rated excellent,” he said. “We will definitely be expanding the effort next year. On my own scale of 1 to 10, this has been a 10.”

- **Raise your wages.** Ben Van Wingerden, owner of Color Orchids in Virginia, spoke with GrowerTalks late last year and talked about the recent raises he gave to his employees—some earning more than \$14 per hour based on their work performance. This year, his goal is to go to \$15 per hour.

Ben feels that a higher pay scale attracts higher-quality candidates and provides more incentive to be productive.

“It gives us a better workforce,” he explained. “You can raise your expectations, too. And that’s exactly what we do ... There are a lot of costs within mistakes. You pay more, [you get] fewer mistakes, it comes back to you. It’s hard to measure, but it comes back to you. And as long as you’re hitting your numbers, who cares?”

- **Offer more benefits/make your business more appealing.** “There’s no one thing that takes care of all your labor problems,” said Art Van Wingerden. “So we do a lot of things.”

Along with providing fully paid healthcare and a retirement plan, Metrolina has a Wellness Center on site so it’s easier for their employees to get checkups and deal with any illnesses. And they throw a Christmas luncheon for employees where they also celebrate all of the milestone anniversaries that year, which includes an awards ceremony where the employees receive a monetary gift.

And this year, Metrolina implemented a program called “Refer a Friend,” where current employees can earn

bonuses if they refer someone and that person stays on for more than 120 days.

“A true businessman wants to take care of his people,” said Art.

- **Hire refugees.** We’ve written about hiring people who’ve come to the U.S. to escape war and persecution before, and for many growers, it’s been very successful.

Bailey Nurseries has multiple growing locations, but their primary base is in Minnesota, where they employ around 800 people. Joe Bailey said they hire about 450 seasonal workers within a three-week period during peak. Starting in 2011, Bailey started using refugees from Burma. Since then, their workforce now includes about 200 Burmese refugees.

Joe said it required a little more understanding and patience from their staff, but after some extra education, it’s been very positive.

- **Educate your local decision makers.** If you don’t know who your federal representatives and senators are, find out. Call their office and invite them to your greenhouse or garden center. Tell them your story.

“A lot of the more important work can be done locally,” said Craig. “It’s also very useful to have people come to Washington periodically; that’s why [AmericanHort is] doing an event in September because it says something to Congress when you’re willing to walk away from your business.”

Bert has testified in front of the House Judiciary Immigration Subcommittee and been interviewed by local and national media about the state of labor in agriculture. And he’s continued to be a voice for our industry because that’s the only way he feels real change can happen, regardless of how slowly.

“I want to keep my voice heard because I think that’s about the only thing we can do to make sure that those that we elect to represent us in Washington D.C. understand how important this is,” said Bert. “It’s important for every greenhouse operator to show local legislators and law enforcement around their facilities, to make sure that they understand that this is not just a little thing. It’s not going to go away by itself; it needs to be addressed.”

Are we in a “labor crisis”?

Let’s look at a few whys and what ifs:

- Why is there a labor shortage?

Demographics—The reason why our country’s reliance on migrant labor has increased significantly during the last 30 years—especially in agriculture—is because there are less native-born Americans who actively seek this type of work. As the average family size has gone down, the average education level has gone up. Remember reading “The Grapes of Wrath” in high school? The members of today’s Joad family all have college degrees and are working in white-collar jobs. None of them are heading west to find jobs on a farm; they live in a cozy split-level in

the suburbs.

Economics—After the housing market crashed in 2008 and businesses stopped hiring or closed their doors altogether, there were no jobs to be had. The main reason many immigrants come to the U.S. is for work, and when there's none, they stay home. In the '90s during the time of a growing economy, roughly 1 out of every 6 agricultural workers left for something else, but they were quickly replaced by someone else, most likely unauthorized and working for the first time. Craig Regelbrugge said that since 2007, "the economic migrant stream has come to an absolute trickle." There's no workforce replenishment going on, and as our economy continues to recover, our current workforce is getting old and more settled. They're less willing to migrate, so there's more attrition and aging out.

Fear—During a time where populist rhetoric is getting a lot of news coverage, many migrants who normally travel back and forth for seasonal work have been noticeably absent.

"We're in an interesting space with this administration and you've got several different power centers within it," said Craig. "I personally believe that the president is ideologically open minded on this issue, despite some of the campaign rhetoric. And I think that the more economically oriented members of the White House team and the cabinet also get how important this is to solve wisely. But there is a disproportionate number of immigration restrictionists, populist hardliner-type attitudes and views in this administration than we've seen in a long time. So how these different views ultimately might be bridged is the central challenge."

- **What if the government passes mandatory E-Verify?** Although the current administration has said it believes in federally mandatory E-Verify, right now, we're in a holding pattern. Some states have already passed legislation that requires some businesses to hire employees using E-Verify and all government agencies started using it in 2007.

Many business owners feel the program has too many flaws and that requiring all employers across the country to use E-Verify without passing some sort of immigration reform will make a bad situation worse.

"If an E-Verify mandate happens in isolation, without broader stabilizing reforms, we will not have seen anything yet in terms of the labor crisis that ensues thereafter," stated Craig. "Give us the tools. If E-Verify is what needs to happen, fine. But streamline the process so that an employer's life is made simpler rather than more difficult and fix the visa programs."

- **What if the government deports all of the illegal immigrants that are currently living and working in our country, which includes those in ag/hort?** Conservative estimates based on government-funded studies, like the U.S. Department of Labor's National Agricultural Workers Survey (NAWS), say that about half of the workforce in agriculture is unauthorized, and this includes greenhouses and nurseries. If all of the undocumented workers suddenly disappeared, it would have a significant economic impact, not just on the affected businesses, but the community as well.

As an example, if 50% of a greenhouse operation's workforce is undocumented and, suddenly they all have to go home, would you be able to replace 50% of your workforce right away? And it

affects the other employees in the business—from the front office to management. If a business loses half of its workforce, most likely it'll have to close, and that means everyone else loses their jobs, too. **GT**